INFORMATION COLLECTION REQUEST RENEWAL

FOR THE ACID RAIN PROGRAM

UNDER THE CLEAN AIR ACT AMENDMENTS TITLE IV

May 16, 2002

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(OCTOBER 2002 THROUGH SEPTEMBER 2005)

SUPPORTING STATEMENT

1. IDENTIFICATION OF THE INFORMATION COLLECTION

1.1 Background

Title IV of the Clean Air Act Amendments of 1990 (the acid rain title) established goals to reduce annual emissions of sulfur dioxide (SO_2) and nitrogen oxides (NO_X) and place a national cap on sulfur dioxide emissions beginning in the year 2000. Emissions reductions were mandated in two phases:

- During Phase I, which covered 1995 through 1999, emissions were reduced about 50 percent for SO_2 and 32 percent for NO_X from 1990 levels from the 263 highest-emitting sources;

- Phase II, which began in 2000 for both SO_2 and NO_X, affects more than 2,200 sources at virtually all fossil fuel power plants.

To help meet emissions reduction goals, Title IV provides for a program that allocates emissions allowances to affected utility units based on a national target for SO_2 reductions, and allows market forces to achieve the targeted reductions in the most cost-effective manner. Under this program, each affected unit receives its allocation of allowances every year. An affected unit must hold one allowance for each ton of SO_2 it emits. Affected utilities and individuals may buy and sell allowances, or save them for future use or sale.

The ability to buy and sell (or transfer) allowances provides substantial economic benefits, by encouraging the greatest emissions reductions where costs of reductions are lowest. This concept of allowance transfers cannot be implemented, however, unless regulations governing emissions monitoring and permitting of acid rain sources are in place as well. To ensure compliance with the emissions reduction requirements and to provide the national consistency needed to foster the allowance market, sections 408 and 412 of Title IV require the designated representative of the owners and operators of each affected acid rain source to obtain an operating permit for the affected source and to certify that an approved emissions monitoring system has been installed and is properly operated at each affected unit's source of emissions.

Emissions monitoring and reporting is the foundation upon which the allowance trading system is based. Without accurate monitoring and reporting of emissions, the integrity of the allowance system would be undermined, and there would be no assurance that emissions had

been reduced.

Acid rain permits allow sources the flexibility to comply with the emissions reduction requirements of Title IV for both SO_2 and NO_X. The procedures specified in the acid rain permits regulations, including the use of standardized forms, ensure that the intended flexibility and accountability is preserved as the Acid Rain Program is implemented nationwide by different permitting authorities.

Participation in the annual auction is voluntary. Information is collected by EPA's Clean Air Markets Division, or its designated agent, and is used to conduct and facilitate administration of the auction. Auction participants must submit a bid form and payment method.

Section 410 of Title IV provides that sources of SO_2 emissions that are not regulated, i.e., small utility units and industrial boilers, may elect to "opt in" to the allowance allocation and trading program. To opt in, the source owner or operator must submit an opt-in permit application to EPA. Sources that opt in (1) become affected sources, (2) receive an annual allocation of allowances, and (3) may sell any allowances they do not use for their own emissions. Because opting in is voluntary, only those unaffected sources that would profit by opting in are expected to do so.

Although the principal purpose of Title IV of the Clean Air Act is to reduce acid rain by requiring reductions in emissions of SO_2 and NO_X, it is also the purpose of this title to encourage energy conservation and pollution prevention as a long-range strategy for reducing air pollution and other adverse effects of energy production and use. As an incentive for electric utilities to (1) implement energy conservation measures and (2) use renewable energy, section 404(f) of Title IV establishes provisions for qualifying electric utilities to receive allowances from the Conservation and Renewable Energy Reserve for SO_2 emissions avoided through either of these two options.

The NO_X emission reductions are achieved through maximum allowable emission rates for coal-fired utility boilers. The allowable rate for a given boiler depends on the type of boiler. The NO_X regulations for coal-fired boilers are applied to two groups of boilers, as specified by the Clean Air Act Amendments of 1990 (CAAA). Boilers in each group become affected at different times, as described below. Group 1 boilers are (1) dry bottom wall-fired boilers that do not apply cell burner technology or (2) tangentially fired boilers. Group 2 boilers are all other types of utility boilers, including (1) wet bottom wall-fired boilers, (2) cyclones, and (3) boilers applying cell burner technology. In Phase II, which began January 1, 2000, NO_X emission limitations became effective for both groups of boilers.

1.2 Information to Be Collected

EPA has developed regulations to implement the emissions reduction provisions of Title IV of the Clean Air Act Amendments that cover

- Allowance tracking and transfers (section 403);
- Energy conservation and renewable energy incentives (section 404);
- Permits (section 408);
- Emissions monitoring (section 412);
- Auctions (section 416);
- Opt-in (section 410 a-g);
- Annual Compliance Certification (sections 403, 408 & 411); and
- NO_X permitting (section 407).

This Information Collection Request (ICR) addresses the paperwork burden related to (1) transferring and tracking allowances; (2) obtaining and distributing allowances from the Conservation and Renewable Energy Reserve; (3) obtaining and issuing permits (e.g., submitting permit applications); (4) submitting and certifying emissions monitoring data; (5) the opt-in program; (6) annual year-end compliance certification reporting; and (7) NO_X permitting. Burden estimates provided in this ICR are for the period from October 1, 2002 to September 30, 2005 (i.e., the years 2003 through 2005).

Allowance Transfers

Participants in the allowance transfer system now have two options for submitting transfers: to submit electronically using the internet to record their own allowance transfers, either by entering the data on screen or by submitting an XML file; or complete a paper form and send it the Agency. Participants in the transfer system that are not affected sources under Title IV are also be required to file a one time account information application using a paper form to establish an account in the Allowance Tracking System (ATS).

Conservation and Renewable Energy Reserve

To receive allowances for emissions avoided through the use of energy conservation measures or renewable energy, utilities must submit an application to receive allowances that (1) designates and verifies the measures used to avoid emissions, (2) calculates the tons of emissions avoided, and (3) demonstrates qualification to receive allowances from the Conservation and Renewable Energy Reserve.

Permits

Permit applicants are required to submit an acid rain permit application for each affected source. The permit application must include, for each unit at the source, (1) general information on the unit, (2) a complete compliance plan for each unit, and (3) the Acid Rain Program standard requirements.

Emissions Monitoring

To meet the emissions monitoring record-keeping and reporting requirements, affected units are required to (1) submit a monitoring plan and certification of monitors, (2) record hourly pollutant and flow monitor data, and (3) submit electronic quarterly reports of their emissions data to EPA. Operators of new electric generating units of 25 megawatts (MW) capacity or less may receive a CEMS exception if they certify their use of very-low-sulfur fuel.

Submissions Purposes and Procedures

Allowance transfer notifications may be submitted to EPA electronically or on paper. Emissions reports must be submitted electronically. All Phase II permit applications must be submitted on paper.

The allowance transfer submittal is used to record allowance transfers for compliance purposes and to track the disposition of all allowances in the system. Applications for allowances from the Energy Conservation and Renewable Energy Reserve provide information on the emissions avoided through the use of energy conservation measures and renewable energy, and are used to allocate allowances from the reserve.

Acid rain permit applications are used to issue operating permits to affected sources under the Acid Rain Program. Because the permit applications and permits are public documents, they provide an opportunity for the affected public to examine activities undertaken by affected sources. The designated representative certification, which designates a responsible official through whom the owners and operators of each affected source and each affected unit can trade allowances and obtain and maintain permits, serves to remove EPA from involvement in disputes between owners and operators of affected units.

Monitoring plan submissions are used by EPA to verify that the emissions monitoring system at a unit meets the requirements set forth in Title IV of the Act and in the implementing regulations. Results of continuous emission monitoring system performance tests allow EPA to certify that monitors perform well enough to produce accurate emissions data. Emissions data is used to monitor compliance with emissions requirements under Title IV and to provide a basis for analyzing progress in meeting air quality objectives. Allowance tracking information, emissions data, and the contents of permit applications all provide information for the allowance market and the general public.

Opt-in Program

This ICR also addresses the paperwork burden for small utility units and industrial boilers that opt-in. The Agency has identified five burden areas associated with a source's opting in to the allowance allocation and trading program. These areas are (1) completing the permit application, (2) recording and reporting emissions data, (3) compliance reporting, and (4) withdrawing from the program. Estimates for the opt-in program detail the burden for both operating and shut-down opt-ins.

The Opt-in program requires respondents to submit an acid rain permit application. For all respondents, the application must provide (1) general information about the source, (2) specific data about the source's fuel consumption and operating data for 1985, 1986, 1987, and (3) data on the source's actual and allowable emission rates for 1985, as well as the current allowable emission rate. The permit application and proposed thermal energy compliance plan for sources that opt in and shut down must include information describing the source's plans for the replacement of thermal energy.

To meet emissions monitoring, record-keeping and reporting requirements, sources that opt-in and continue operating will be required to (1) submit a monitoring plan and certification of monitors, (2) record hourly pollutant and flow monitor data, and (3) submit quarterly reports of their emissions data to EPA. Sources that opt in and shut down will not have to perform tasks associated with emissions monitoring, reporting, and recording.

Meanwhile, to meet requirements for reporting compliance, respondents must submit an annual compliance certification report in which they (1) report their utilization information, (2) report any replacement of thermal energy, and (3) report on allowances transferred as a result of the replacement of thermal energy. Finally, all sources that have opted in and later decide to withdraw are required to complete withdrawl notification.

Annual Compliance Certification

Compliance with the SO_2 emission limitations is determined annually. In Phase II, the designated representative for each affected unit must submit an Annual Compliance Certification Report stating whether the unit was in compliance with all Acid Rain Program requirements for the calendar year, and has the option of submitting an allowance deduction form to identify specific serial numbered allowances to be deducted for annual compliance, and a Common Stack Allowance Deduction Form to specify the percentage of allowances to be deducted from each unit that emits through a common stack or pipe.

NO_X Permitting

An owner or operator of a unit subject to a NO_X emission limitation may meet the requirements through one of three compliance options:

- meeting the standard limit
- obtaining approval for an emissions averaging plan
- obtaining an alternative emissions limitation (AEL)

Two or more units may average their NO_X emissions, as provided for by Title IV. In an approved NO_X emissions averaging group, the NO_X emission rates of some of the individual units may exceed their respective emission limitations, as long as the Btu-weighted average NO_X emission rate for the entire group is less than or equal to the weighted average of the emission limitations for the individual units. The ability to average emissions allows utilities to meet the NO_X requirements at lower cost.

Title IV also provides that an owner or operator of an affected unit may petition EPA for a higher, alternative emission limitation (AEL) if the unit cannot meet the emission limitations even after a retrofit with low NO_X burner technology . The opportunity to obtain AELs will allow for adjustment of emission limitations for specific units where the technologies on which the limitations were based do not provide the expected level of emission reductions in practice.

Meeting the standard limit is the least burdensome administratively for sources. All owners and operators of affected units are eligible to comply with the NO_X regulations using this

option. The submission of an application for emissions averaging, or an AEL, is optional and voluntary.

For units that comply by meeting the standard limits applicants are required only to identify the unit.

Applicants seeking approval for emissions averaging are required to identify the units in the group, assign alternative contemporaneous emissions limitations to each unit, and demonstrate that the Btu-weighted average of these alternative limits is less than or equal to the Btu-weighted average of the limits that would apply in the absence of averaging.

All applicants for AELs are required to demonstrate that they are eligible for an AEL, by providing (1) evidence that the appropriate emissions control equipment has been installed, and (2) monitoring data showing that the unit cannot meet the applicable emission rate.

The total respondent reporting burden for this collection of information is estimated to be 1,600,807 hours in 2003 and 1,523,375 hours in the two subsequent years. The total burden to EPA is estimated to be 28,298.5 hours in 2003 and 28,217.5 hours in the two subsequent years.

2. NEED FOR AND USE OF THE COLLECTION

This section describes EPA's need for the information collections described above and the legal authority for conducting collections. The users of collected information are also described.

2.1 Need/Authority for the Collection

Section 403(b) of Title IV of the Clean Air Act Amendments of 1990 provides for the transfer of allowances among designated representatives of owners and operators of affected sources and any person who holds allowances. Transfers of allowances are not deemed effective until written certification of the transfer, signed by a responsible official of each party to the transfer, is received and recorded by EPA. Section 403(d) of Title IV requires that EPA develop a system for issuing, recording, and tracking allowances (intended to help ensure an orderly and competitive allowance system).

Conservation and Renewable Energy Reserve

Section 404(f) of Title IV establishes provisions for qualifying electric utilities to receive allowances from the Conservation and Renewable Energy Reserve for SO_2 emissions avoided through the use of qualifying energy conservation measures or renewable energy. The allowances are allocated on a first come, first served basis during the period from January 1, 1992 to December 31, 2009.

Permits

Section 408 of Title IV and Title V of the Clean Air Act Amendments of 1990 require that the designated representative of the owners and operators of each affected source under the

Acid Rain Program obtain a permit. In Phase II, section 408 also specifies that the permitting authority, usually a State or local agency, issue the permits with a term of five years.

Emissions Monitoring

Section 412(a) of Title IV requires the use of CEM systems (or alternative monitoring systems demonstrated to be equivalent) at each affected unit's source of emissions. Section 504(a) of Title V requires that the results of any required monitoring be submitted to the permitting authority no less often than every six months. The information collection is consistent with satisfying these minimum statutory requirements. Note that reports are submitted quarterly rather than semiannually. The Acid Rain Advisory Committee recommended that EPA collect emissions data on a quarterly basis and this schedule has proven to allow for effective implementation of the program.

Auctions

Although participation in the annual auction is voluntary, the information to be collected is necessary to operate and administer the program and is required specifically under Title IV, Section 416(d)(2).

Opt-in

Section 410(a) of Title IV of the Clean Air Act Amendments of 1990 allows the owner or operator of any SO_2 source that is not an affected unit under section 403(e), 404, or 405 to elect to designate that source as an affected source and receive allowances under Title IV. Section 410(a) requires sources opting in to submit a permit application and a compliance plan to the Administrator.

Section 410(b) requires the Administrator to establish a baseline utilization rate for SO_2 emissions for opt-in sources based on fuel consumption and operating data for calendar years 1985, 1986, 1987. Section 410(c) requires the Administrator to establish a limit for SO_2 emissions based on the baseline utilization rate and the lesser of the source's actual or allowable 1985 emissions.

Section 410(e) requires that the Administrator issue allowances to sources that become affected sources under Section 410. The number of allowances is to be based on calculations made under Section 410(c).

NO_X Permitting

Section 408 of Title IV of the Clean Air Act Amendments of 1990 specifies that utility owners and operators of units affected under Title IV must submit permit applications and compliance plans (including NO_X compliance plans), and that EPA must issue permits.

- Section 408 provides general authority for the information collections under this ICR related to compliance options. In addition,

- Section 407(e) of Title IV allows the owner or operator of two or more affected

units to petition the permitting authority for a NO_X averaging plan.

- Section 407(d) provides for AELs for utility units that cannot meet the applicable limitation using low NO_X burner technology or the technology on which the limitation was based. Section 407(d) specifies that an owner or operator requesting an AEL must show the permitting authority that (1) appropriate control equipment has been properly installed, and (2) the equipment has been properly operated for a period of fifteen months (or another period of time as established by regulation) and operating and monitoring data for such period demonstrate that the unit cannot meet the applicable emission rate. The owner or operator must also specify an emission rate that the unit can meet on an annual average basis.

2.2 Practical Utility/Users of the Data

Allowance Transfers

Information collected on allowance transfers is used by EPA to track allowances for the purpose of determining compliance with the Acid Rain Program. Information on allowance transfers is also used by participants in the allowance market and the public to evaluate the activities of utilities, and by EPA for program evaluation.

Auctions

EPA or its designated agent uses the information collected for the allowance auction to conduct and facilitate administration of auctions. The basic information requested requires little evaluation. Bids submitted for auctions are ranked to select winning bidders and to conduct transfers of emission allowances. The auction information results are also used by participants in the allowance market.

Conservation and Renewable Energy Reserve

Information collected on the use of energy conservation measures and renewable energy is used by EPA to issue allowances from the Conservation and Renewable Energy Reserve.

Permits

Acid rain permit applications are used by EPA and permitting authorities to issue operating permits. A permit application is legally binding on the owners, operators, and designated representative of a source until the actual permit is issued. This aspect of the permit application reduces significantly the uncertainty imposed on a source due to possible delays at EPA or the permitting authority. Affected sources may rely on the permit for information on the requirements with which they must comply. Because permit applications and permits are public documents, they may be used by the public to examine activities undertaken by affected sources.

Emissions Monitoring

Data from emissions monitoring is indispensable to successful implementation of the Acid Rain Program for two reasons:

- Title IV of the Act clearly states that its primary purpose is to reduce the adverse effects of acid deposition by reducing annual emissions of sulfur dioxide and nitrogen oxides. For sulfur dioxide emissions, the statutory objective is achieved through an emissions trading program. For nitrogen oxide emissions, the statutory objective is achieved through annual emission limitations on certain units.

- EPA can only enforce the sulfur dioxide trading program and the nitrogen oxide emission limitation program by having accurate emissions data for each affected unit.

Electric utilities, energy consultants, and power marketing companies can use the Acid Rain program emissions data to project future SO_2 allowance costs and availability. Academic institutions can perform data modeling to evaluate environmental benefits and estimate health effects of SO_2 reductions. EPA and other agencies use it to try to correlate the reduction of SO_2 and NO_X emissions with a decrease in acid precipitation, and also to measure the impacts of other existing and proposed emissions trading programs.

Together, the allowance trading system, operating permits, and emissions data provide the accountability to allow the Acid Rain Program to function without more stringent command and control approaches.

Opt-in

Information collected on opt-in respondents is used by EPA to record which sources are to be designated affected sources, and hence are to be bound by the regulations of the CAAA that are relevant to affected sources.

Opt-in permit applications are used by EPA to issue operating permits. Fuel usage and emissions rate data in the opt-in application is used to allocate allowances to the opt-in source.

The information on annual utilization and the replacement of thermal energy, if covered by a Thermal Energy Plan, contained in the annual compliance report is used by EPA to determine compliance with the Act.

For respondents who choose to withdraw from the program, the withdrawl notification is essential to notify EPA to discontinue the allocation of allowances to the source and enforcement of the acid rain provisions.

Annual Compliance Certification

This information will be used by EPA to determine annual compliance.

NO_X Permitting

Information collected on NO_X compliance plans is used by EPA to evaluate these compliance plans. Information collected on applications for emissions averaging groups or AELs is used by EPA to determine whether to approve these applications. This information may

also be used by the regulated community and the public to evaluate the activities of utilities, and by EPA for program evaluation.

3. NONDUPLICATION, CONSULTATIONS, AND OTHER COLLECTION CRITERIA

This section describes (1) efforts by EPA to learn whether the information requested is available from other sources, (2) consultations with respondents and data users to plan collections, monitor their usefulness, and minimize the collection burden, (3) effects of less frequent collections, and (4) justification for deviations from OMB's general guidelines.

3.1 Nonduplication

Almost all information requested from respondents under this ICR is required by statute and, in most cases, is not available from other sources. Review of earlier and proposed forms resulted in the elimination of many redundant requirements. Where EPA needs information that has already been submitted, EPA is simply requiring a photocopy of the prior submittal.

EPA notes that many of the units that are subject to the Acid Rain Program are also subject to other programs, such as the New Source Performance Standards (NSPS). Under programs such as NSPS, sources are required to submit monitoring data reports that match the particular format and averaging time of the applicable emission limits under those standards. Although not the same information as the information provided under the Acid Rain Program, the information is often generated by the same monitoring equipment. EPA has an ongoing initiative to examine potential means of using the detailed electronic data report formats under the Acid Rain Program to support reporting of similar data under the NSPS and other programs. Currently, EPA is evaluating this issue for combustion turbines as part of an overall turbine initiative because many of these units are coming online at this time and are expected to continue to become operational over the next several years. To the extent EPA can successfully merge some of the NSPS or other report requirements with the electronic reports submitted under the Acid Rain Program, EPA will be able to streamline reporting for the affected sources and reduce burdens accounted for under those other programs.

3.2 Consultations

The data requirements for the Acid Rain Program were developed with the benefit of extensive consultation with the Acid Rain Advisory Committee (ARAC) during five meetings in 1991 lasting two to three days each. The Committee was composed of representatives of those entities most affected by or interested in the information requirements of the Acid Rain Program. Representation on the Committee was provided for industry, states, and environmental groups. Other parties consulted include the Utility Air Regulatory Group (UARG), the State and Territorial Air Pollution Program Administrators (STAPPA), and the Association of Local Air Pollution Control Officers (ALAPCO).

Recommendations provided by ARAC strongly supported the use of standardized reporting forms for acid rain permit applications:

- Utilities affirmed that standardized forms reduce uncertainty about what constitutes a complete application and thus reduce the need to supply additional information in a second submission;

- States asserted that the use of standardized forms developed by EPA would reduce the time and effort states will need to implement an acid rain permit program; and

- Environmental groups argued that the use of standardized forms provides greater assurance that permits will be enforceable in a consistent manner nationwide.

Many ARAC recommendations were incorporated into the acid rain regulations regarding permits and the related standardized forms.

Furthermore, since the beginning of implementation of the Acid Rain Program, representatives from the utility industry, monitoring equipment vendors, software programmers, consultants working together with utilities, and other interested parties have offered comments on the existing rule requirements, standard forms and electronic data reporting formats used to implement the Part 75 program. The EPA has used these comments to revise the rules, forms and reporting formats, especially changes in the formats to cover a wider group of units. In particular, the revised forms and electronic data reporting format have been revised in the past to address reporting requirements for gas-fired units and oil-fired units that are using pre-approved monitoring exceptions to the use of CEMS. Industry groups have also worked together with EPA to revise the recordkeeping and reporting requirements in revisions to Part 75 in 1995, 1996, and 1999. Comments and suggestions from working groups, comprised of UARG, Class of 85 Regulatory Response Group, and the PJM Powerpool also were incorporated in designing the annual compliance forms. In addition, as part of this ICR renewal, EPA contacted a few utility industry respondents to determine whether the estimates for assuring data quality and submitting reports remained reasonably accurate; as a result of those consultations, EPA has adjusted those burden estimates in this renewal ICR to reduce the burdens associated with that activity.

Finally, EPA has just promulgated additional revisions to Part 75 in May 2002. For these revisions, EPA solicited and obtained input from a number of affected utilities and other interested parties. The Agency received numerous written comments on the proposed revisions, and used those comments, in part, to develop the final revisions. In particular, EPA modified the proposal to avoid certain changes that would have imposed reporting and recordkeeping burdens where the comments indicated that the benefit of the proposed changes would not necessarily outweigh the burdens. Examples of these changes include treatment of partial hour reporting for determining regulatory grace periods and the approach to allowing a new option for missing data for units that operate control devices on a seasonal basis. The result of the final rules are minor changes to the reporting and recordkeeping requirements for the majority of sources that should

have only a minimal impact on respondents' burdens and costs, with some increased one-time software costs, especially for sources that decide to adopt one or more of the new options allowed for under the final rule revisions.

3.3 Effects of Less Frequent Collection

Collection of allowance transfer information for each transfer of allowances is necessary to effectively implement a system for issuing, recording, and tracking allowances, which is required by statute.

Conservation and Renewable Energy Reserve

Collection of applications for allowances from the Conservation and Renewable Energy Reserve for emissions avoided through the use of conservation measures or renewable energy is required by statute and is vital to (1) determine qualification for these allowances, and (2) establish the sequence for allocating allowances on a first-come, first-served basis.

Permits

The requirement for the designated representatives of owners and operators of affected sources to submit permit applications every five years is a statutory requirement.

Emissions Monitoring

Submission of monitoring plans once and submission of the results of any required monitoring to EPA no less often than every six months are required by statute. More frequent collections of emissions data (i.e., quarterly), however, allows the opportunity to check data for errors and provide rapid feedback on needed adjustments to data collection systems, and thereby promotes accurate and reliable emissions data. For this same reason, existing federal and state emission monitoring programs often require quarterly reporting, or in some cases, monthly. Less frequent collection, such as semi-annually or annually, would increase the amount of preparation and review time at the end of the year both for regulated sources and for EPA. This would slow down the process of true up and end of year verification of compliance.

Records of monitoring information are to be kept at the source for three years after the date of creation of the record. In certain circumstances, fuel flowmeter calibration and Appendix E testing records may have to be kept for up to five years if the owner or operator takes advantage of rule provisions that allow up to five years between tests. These five year recordkeeping requirements only apply if the owner or operator voluntarily elects either of these options as a cost-effective approach for the owner or operator's specific circumstances.

Opt-in

Collection of permit applications for the opt-in program occurs only once every five years, thus minimizing the respondent burden. This collection is necessary for the operation of the program; without it, EPA would not know which sources wanted to opt in, nor their baseline utilization, nor the lower of their 1985 actual or allowable emission rate. Collection of

withdrawal notifications also occurs once; this is also a necessary collection.

Annual Compliance Certification

The Statute indicates that compliance is to be determined annually by comparing the allowances held by the unit to the unit's total annual emissions.

NO_X Permitting

The Agency is required by statute to include NO_X compliance plans as part of the Acid Rain permits. As mentioned earlier, Acid Rain permits are renewed every five years, so NO_X affected sources must submit a NO_X compliance plan once every five years.

3.4 General Guidelines

Section 403(d) of Title IV requires that EPA establish a system for issuing, recording, and tracking allowances. To track allowances accurately and to help ensure the orderly and competitive functioning of the allowance system, it is essential that participants be able to report information on allowance transfers as they occur.

The general requirement that permit applicants submit information on standard forms is established by Section 502(b) of Title V. The five-year life of an acid rain permit is established by Section 408(a) of Title IV. This information collection does not violate the guidelines set forth by OMB. In some cases, records of Part 75, Appendix E test results or fuel flowmeter calibration test results may need to be retained for up to five years, but only if the owner or operator chooses to take advantage of the ability to extend the period between tests up to five years. In all other circumstances, Part 75 monitoring records must be kept for only three years.

3.5 Confidentiality and Sensitive Questions

Information collected through this activity is not confidential or of a sensitive nature.

4. THE RESPONDENTS AND THE INFORMATION REQUESTED

This section lists the major categories of businesses that participate in the Acid Rain Program, the data items requested from program participants, and the activities in which the participants must engage to assemble or submit the required data items.

4.1 Respondents/SIC Codes

Title IV applies to "utility units," which are defined to include units that serve a generator producing electricity for sale or that did so in 1985. Entities owning "utility units" that are likely to participate in allowance transactions are electric service providers (SIC code 4911) and selected firms in the non-utility generation industry, such as coal mining service companies (SIC code 1241). Participants in transactions and the annual auctions include security and commodity brokers and dealers (SIC code 62), management and business consulting service organizations

(SIC codes 8742 and 8748, respectively), non-profit organizations and natural gas companies (SIC code 1311). Affected units under Title IV are the likely applicants for allowances from the Conservation and Renewable Energy Reserve.

Emissions Monitoring

Utility units are required to submit emissions monitoring data under this ICR.

Opt-in

Potential participants in the opt-in program are facilities that emit SO_2 but are not designated affected units under Title IV. Such facilities include utility units that serve an electric generator of less than 25 MW that produces electricity for sale or that did so in 1985. Entities owning utility units under 25 MW that may participate in the opt-in program are electric service providers (SIC code 4911). Other potential participants are industrial boilers that are represented in a wide range of SIC categories.

4.2 Information Requested

This section lists the data items requested from affected sources for the collections described in this ICR. This section also defines the activities in which respondents must engage to assemble, submit, or store these data items.

4.2.1 Data items, Including Recordkeeping Requirements

Allowance Transfers

All participants to allowance transfers are required to provide the following information for each allowance transfer:

- Allowance tracking system account number;
- Name, phone number, and facsimile number of the authorized account representative, along with the representative's signature and date of submission; and
- Serial numbers of allowances to be transferred.

Certificate of Representation

Affected sources are assigned an allowance tracking system number and appoint a designated representative by submitting a certificate of representation. The data items requested for the certificate of representation are as follows:

- Source identification;
- Name, address, telephone and facsimile number of the designated representative;
- Name, address, telephone and facsimile number of the alternate designated representative;
- List of "owners and operators" of the source and each unit at the source;
- Certification statement;

- Signature of designated representative;
- Signature of alternate designated representative; and
- Date signed.

Notification for Distribution of Proceeds from EPA Auctions

EPA disburses one payment using electronic funds transfer/direct deposit (EFT/DD) for each plant represented for the proceeds from the annual auctions of allowances. The following information is required for this notification for distribution of proceeds:

- Authorized Account Representative (AAR) Identification;
- Name of the company receiving the payment;
- The company's tax payer identification number;
- Bank account information;
- Plant name and plant code; and
- Signature of AAR.

General Account Holders (Allowance Market Participants)

Entities that are not affected sources (such as individuals holding allowances) are required to submit a completed account information application or provide the following information to obtain an allowance tracking system account number, prior to or simultaneous with the first transfer:

- Organization or company name (if applicable);
- Name, mailing address, phone number, and facsimile number of the authorized account representative;
- Name of the alternate authorized account representative (optional);
- A list of all persons subject to a binding agreement for the authorized account representative to represent their ownership interest with respect to the allowances held in the account; and
- Certification statement and the signatures and date for the authorized account representative, and alternate authorized account representative, if any.

Conservation and Renewable Energy Reserve

In order to receive allowances from the Conservation and Renewable Energy Reserve for emissions avoided, each electric utility must submit an application to EPA. The application requires the following items:

- Name and phone number of the person(s) who completed the application; and name and phone number of contact person.
- Demonstration of qualification to receive allowances for emissions avoided;
- A list of the qualified energy conservation measures implemented and the qualified renewable energy sources used for purposes of avoiding emissions during the previous calendar year;
- Verification of (1) installation of energy conservation measures and the energy

savings attained, and (2) plant operation using renewable energy and the energy generation attributable to renewable energy input;
- For utilities using the EPA Conservation Verification Protocol, the information and methodologies used in determining energy savings, including a description of the conservation measures, the dates of claimed savings, the number of installations, the calculations used to determine energy savings, aggregate statistical information needed to calculate confidence levels, and a description of any comparison groups;
- Calculations of the number of tons of emissions avoided by implementing conservation measures or using renewable energy; and
- Identification of allowance tracking account(s) to which the Reserve allowances are to be allocated.

Permits

Every affected source is required to have an Acid Rain permit. Acid Rain permits have five year permit terms. The permitting authority's operating permits rule governs the issuance of permits to new units and for renewal of existing Acid Rain permits.

A complete Acid Rain permit application includes the following information:

- Identification of the source (plant name, ORIS code, State);
- Identification of affected units;
- A complete compliance plan;
- Standard requirements at 40 CFR 72.9;
- For new units, commence operation date and monitor certification deadline;
- Standard certification; and
- Name and signature of designated representative.

New Unit Exemption §72.7

Operators of new units that serve generators with a nameplate capacity of 25 MW or less and use fuel with a sulfur content by weight of less than 0.05 percent may obtain an exemption from monitoring, permitting, and allowance requirements if they submit a certification with the following information:

- Unit Identification;
- Nameplate capacity of the generators served by the unit;
- The fuels currently burned and their sulfur content by weight;
- Certification that the owners and operators will comply with all necessary requirements; and
- Standard certification at §72.21(d)(2).

Retired Unit Exemption

Operators of affected units that are retired prior to the issuance (including renewal) of a Phase II Acid Rain Permit for that unit may obtain an exemption from monitoring if they submit

a certification with the following information:

- Unit identification;
- Certification that the unit is permanently retired and will comply with all necessary requirements; and
- Standard certification at §72.21(d)(2).

All data items requested from permit applicants must be submitted on standard forms. Most of the information requested in the forms is specifically required by law.

Emissions Monitoring

Emissions monitoring requirements specify that affected sources must (1) submit a monitoring plan for each affected unit at a source, (2) submit data for certification of each monitor, and (3) record hourly operational, pollutant monitor, and flow monitor data for each affected unit and submit quarterly reports of their emissions data to EPA. Appendices A and B to this ICR contain a list of the data items required by the recordkeeping and reporting provisions of Part 75.

Respondents are required by 40 CFR 75.64 to submit the quarterly emissions data electronically, by direct electronic submission to EPA, and must also include a certification statement by the designated representative of the unit. Under the 2002 rule revisions, EPA requires the certification statement to be submitted electronically unless it approves a hardcopy submission. All records are to be kept for three years, with two possible exceptions under voluntary options that are discussed in section 3.3 of this ICR.

The 2002 Part 75 revisions add or revise some recordkeeping and reporting terms. Some of these are necessary for the rule requirements to match the actual reporting practices incorporated in the Electronic Data Reporting formats used for the Acid Rain Program. Others reflect minor rule changes.

Auctions

For auctions, participants are required to submit a bid form and payment method at least six days prior to the date of the auction. Sealed bids are submitted on a standard bid form developed by EPA. Each bid provides the following basic information:

- Name;
- Account number (or new account information);
- Allowance quantity and price; and
- Type of auction.

The bid also specifies an acceptable method of payment for the total bid price regardless of the type of auction (spot or advance). Full payment for allowances -- in an acceptable form -- is required with the bid at the time of submission.

Opt-in

To obtain an opt-in permit, applicants are required to submit a certificate of representation and an opt-in permit application for each source. For all respondents, the application must provide (1) general information on the source, (2) specific data about the source's fuel consumption and operating data for 1985, 1986, and 1987, and (3) data on the source's actual and allowable emission rates for 1985, as well as the current allowable emission rate. For permit applicants who plan to opt in *and shut down*, the compliance plan is based on a statement describing the source's plans for shutting down and replacing thermal energy.

The general information required of all opt-in sources include the following items, as listed in Section 74.16 or another section as listed below:

- Source name and location;
- Name, address, telephone and facsimilie number of the designated representative;
- Name, address, telephone and facsimilie number of the alternate designated representative;
- Statement of certification;
- Complete record of fuel consumption and operating data for calendar years 1985, 1986, 1987, or other acceptable baseline;
- Actual and allowable emission rates for 1985, or if source was not operating in 1985, for a calendar year to be determined by the Administrator, as well as the current allowable emission rate;
- Statement provisions as indicated at 72.9; and
- Signature of designated representative and date of signature.

In addition, sources that opt in and continue to operate must meet the emission monitoring requirements that were listed above.

As part of the annual compliance certification report required in Section 74.43 for opt-in units, respondents must report utilization information, and replacement of thermal energy and resulting transfer of allowances. The following information must be reported, as required in Sections 74.44 and 74.47:

- Source name and location;
- Name, mailing address, telephone and facsimilie number of source representative;
- Benchmark utilization, annual utilization, average utilization, end-of-year determination of reduced utilization, and the calculation of allowances deducted for reduced utilization (if any);
- Amount of thermal energy replaced (if the source has shut down or if the utlization rate has fallen due to replacement of thermal energy by another source), and the name and location of the source or sources providing replacement thermal energy;
- A calculation of the number of allowances transferred to each source providing replacement thermal energy;

- Allowance tracking system account number of the replacement units; and
- Dated signatures for all designated representatives.

All respondents who choose to withdraw from the program are required to notify the Agency of their decision and provide the following information, as required in Section 74.18:

- Source account number;
- Name, address, telephone and facsimilie number of the designated representative; and
- A certification that emissions requirements will be met through Dec. 31 of the current year, and that all remaining allowances will be surrendered at that time.

Annual Compliance Certifcation

As part of the annual compliance certification report required in Section 72.90, the designated representative for an affected source must provide the following information by March 1 of each year:

- Source name, State, and Allowance Tracking System Account number for each affected unit represented;
- Certification of compliance with Acid Rain Program requirements; and
- Dated signatures for the designated representatives.

In addition, if the designated representative chooses to identify the specific serialized allowances to be deducted from the unit's ATS account, then the following information is required:

- Allowance Tracking System account number;
- Type of deduction;
- Serial numbers of the allowance blocks to be deducted; and
- Dated signature of the designated representative.

NO_x Permitting

Regardless of the compliance option selected, the following elements must be included in the compliance plan for each source:

- Identification of the source;
- Identification of each affected unit at the source that is subject to these regulations;
- Identification of the boiler type of each unit; and
- Identification of the compliance option proposed for each unit.

For the standard emission limits, the designated representative must simply check a box on the form indicating the appropriate limit.

For an emissions averaging plan, the following information must be submitted:

- Identification of each unit in the plan;
- Each unit's applicable emission limitation;
- The alternative contemporaneous applicable emission limitation for each unit (in lb/mmBtu);
- The annual heat input limit for each unit (in lb/mmBtu);
- The calculation for the equation outlined in Step 2 of the EPA form for emissions averaging; and
- The effective date of the plan.

For an AEL, the designated representative must submit the following information:

AEL Demonstration Period

For an AEL, the designated representative must first submit an application for an AEL demonstration period. The application must contain the following information in accordance with 40 CFR §76.10(d):

- Identification of the unit;
- The type of control technology installed. If low NO_x burner technology incorporating advanced and/or separated overfire air is technically infeasible, a justification including a technical analysis and evaluative report from the vendor of the system or from an independent architectural and engineering firm explaining why;
- Documentation that the installed NO_x emission control system has been designed to meet the applicable emission limitation and that the system has been properly installed;
- The date the specific unit commenced operation following the installation of the NO_x control equipment, or the date the specific unit became subject to the emission limitations (whichever is later);
- The dates of the operating period (minimum of 3 continuous months);
- Certification by the designated representative that the unit and the NO_x control equipment were operated during the operating period in accordance with specifications and procedures designed to achieve the applicable emission limitation, with the operating conditions upon which the design of the NO_x control equipment was based, and with vendor specifications and procedures;
- A brief statement describing the reason or reasons an AEL demonstration period is required for the specific unit;
- For the control technology, load range, O_2 range, coal volatile matter range, and percentage of combustion air introduced through overfire air ports;
- Description of planned modifications;
- List of parametric tests to be conducted in accordance with 40 CFR §76.15;
- Identification of the continuous emission monitoring data submitted pursuant to

40 CFR Part 75 that is to be used in assessing this application;
- An interim AEL, in lb/mmBtu; and
- The proposed dates of the demonstration period.

Final AEL

After the demonstration period, the owner or operator may petition the permitting authority for a final AEL. The petition must include the following information in accordance with 40 CFR §76.10(e):

- Identification of the unit;
- Certification that the affected unit and the NO_x control equipment have been properly operated during the demonstration period;
- Certification that the affected unit has installed all emission control equipment, made any operational modifications, and completed any upgrades and/or maintenance to equipment specified in the demonstration period plan;
- A clear description of each step or modification taken during the demonstration period;
- Engineering design calculations and drawings that show the technical specifications for installation of any additional operational or emission control modifications installed during the demonstration period;
- Identification of the continuous monitoring data submitted pursuant to 40 CFR Part 75 that is to be used in assessing this application;
- A report, based on the parametric testing, that describes the reasons for the failure of the installed NO_x control equipment to meet the applicable emission limitation;
- The minimum NO_x emission rate, in lb/mmBtu, that the affected unit is able to achieve on an annual average basis;
- All supporting data and calculations documenting the determination of the proposed AEL; and
- For affected units that have installed an alternative technology, demonstration that the annual average reduction of NO_x emissions is greater than 65 percent.

Recordkeeping

All records are to be kept for three years, except for permitting records which are to be kept for the duration of the permit, or up to five years and certain new monitoring provisions.

4.2.2 Respondent activities

Allowance Transfers

Participants in the allowance transfer system that are not affected units are required to perform two tasks: (1) negotiate an agreement to designate an authorized account representative and file an account information application to open an Allowance Tracking System general account; and (2) complete and submit allowance transfers. Designating an authorized account representative and filing an account information application is required one time only, prior to or

concurrent with conducting the first transfer of allowances. For each transfer of allowances, participants are required to complete and submit an allowance transfer form or provide the required information using the On-line Allowance Transfer System (OATS). Affected units that were required to submit a certification of representation under the initial ICR, must continue to prepare and submit allowance transfer information for each allowance transfer.

General account holders and affected units may change the authorized account representatives by submitting a subsequent allowance account information form or certificate of representation form respectively.

Conservation and Renewable Energy Reserve

The tasks that must be performed by utilities applying for allowances from the Conservation and Renewable Energy Reserve are (1) designate the qualified energy conservation measures implemented and the qualified renewable energy sources used to avoid emissions, (2) verify installation of energy conservation measures or the plant operation using renewable energy, and the resulting benefits, (3) calculate the tons of emissions avoided, and (4) demonstrate qualification to receive allowances for emissions avoided. Generally, because utilities already perform these tasks to satisfy state requirements, utilities do not need to duplicate these efforts to apply for allowances from the Reserve. Rather, utilities primarily assemble the information resulting from these activities in an application and submit this application to EPA.

Obtaining a Permit

The primary tasks to obtain a permit are listed below. These tasks are performed by existing sources required to renew their permits and new units during the period covered by this ICR. In general, sources with existing units, must reapply at least 6 months prior to the expiration of an existing permit, but the actual timeframe is governed by the permitting authority's operating permits rules.

- Designate a representative of the owners and operators of a source. Read the designated representative certification procedures. Negotiate an agreement to designate a representative for each unit at a source. Complete and submit the certification. This task is only relevant for a new Phase II source or if a source changes the designated representative.
- Prepare the permit application. Read the permit application instructions, then collect relevant information for the permit application. Complete the Phase II acid rain permit application. Where appropriate, provide specific information to support the use of compliance options for NO_X. Review the information for accuracy and appropriateness and report the information to the permitting authority.

Emissions Monitoring

The primary tasks that are performed by respondents to meet the emissions monitoring requirements are (1) completing and submitting appropriate monitoring plan forms for each affected source and each affected unit at a source; (2) conducting tests to certify the operation of

monitors, and submitting test results to EPA; (3) recording hourly emissions data (this activity generally is performed electronically); (4) operation and maintenance activities associated with the monitoring, including quality assurance activities; (5) assuring data quality, preparing quarterly reports of emissions data and submitting these reports to EPA; and (6) responding to error messages generated by EPA as a part of automated data checks or electronic audits, or to field audits conducted by EPA. In addition, respondents must purchase the necessary monitoring hardware (or pay for fuel sampling and analysis in some cases) and purchase the electronic data reporting software (or software upgrades). To enable sources to perform self-audits of submissions, EPA also has developed the Monitoring Data Checking (MDC) software for use by affected sources. This software enables sources to run automated quality checks of reports prior to submittal to EPA and reduces the burden of having to respond to EPA generated error messages or follow-up EPA audits.

Opt-in

In order to provide the information discussed in the previous section, participants must complete three tasks to participate in the opt-in program: (1) submit a permit application, (2) meet monitoring requirements, and (3) submit annual compliance reports. Respondents who choose to withdraw are required to submit a withdrawal notification.

The primary tasks that must be completed to obtain a permit and the activities associated with them are listed below. These tasks will be performed only once during the period covered by this ICR.

- Designate a representative of the owners and operators of a source. Read the designated representative certification procedures. Negotiate an agreement to designate a representative for each source. Complete and submit the certification.
- Prepare the permit application. Read the permit application instructions, then collect relevant information for the permit application. Complete written forms, including an application for an opt-in permit. Review the information for accuracy and appropriateness. Submit the information to EPA, sending copies to the appropriate EPA regional office.

Respondents who opt in and *continue to operate* must also perform the task required under the emissions monitoring section above. Respondents who opt in *and shut down* do not need to perform any tasks related to monitoring.

To withdraw from the program, respondents must notify EPA of their decision to withdraw. Notification entails providing EPA with the data items presented in Section 3.2.1..

Opt-in sources covered by a thermal energy plan, must also report information concerning the replacement of thermal energy, including the identification of the source or sources providing replacement thermal energy, and the allowances transferred as a result of the replacement of thermal energy.

Annual Compliance Certification

The respondents will need to read the instructions, collect the relevant information and fill out the appropriate forms. The tasks associated with compliance reporting are (1) certifying compliance by submitting an Annual Compliance Certification Report for the source, and (2) if the designated representative chooses, identifying the serial numbers of allowances to be deducted using the Allowance Deduction Form and Common Stack Deduction form.

NO_X Permitting

The primary tasks for a NO_X compliance plan are listed below.

- Prepare the NO_X compliance plan application. Read the application instructions, then collect relevant information. Analyze compliance options and plan compliance. Complete written forms. Review the information for accuracy and appropriateness and report the information to the permitting authority and send a copy to the EPA. Preparing a NO_X compliance plan application may include interpreting the rule, collecting information and completing and submitting a NO_X averaging plan, or an AEL petition.

Because each source must renew its Acid Rain permit every five years, EPA assumes the tasks for permitting will be performed by 20% of all NO_X affected sources annually, in accordance with Section 408.

5. THE INFORMATION COLLECTED -- AGENCY ACTIVITIES, COLLECTION METHODOLOGY, AND INFORMATION MANAGEMENT

The first part of this section describes Agency (EPA) activities related to the acquisition, analysis, storage, and distribution of the information collected from (1) participants in allowance transfers, (2) applicants for allowances from the Conservation and Renewable Energy Reserve, (3) permit applicants, (4) designated representatives of affected sources that are required to submit monitoring plans and emissions data, (5) participants in the annual auction, and (6) the opt-in program, (7) annual compliance certification, and (8) NO_X permitting. The second part describes the information management techniques employed to increase the efficiency of collections. The third part discusses the burden or benefits of the collection activities described in this ICR to small entities. The last part outlines the schedule for collecting information.

5.1 Agency Activities

Allowance Transfers

Collections associated with operating the allowance transfer system requires EPA to (1) track allowance holders and maintain allowance accounts, (2) review allowance transfer information for completeness and ensure that all requirements are met, (3) record allowance transfers, and (4) notify both participants in a transfer whether the transfer was recorded. EPA has developed a computer system called the Allowance Tracking System (ATS) to track

allowances and maintain information on accounts. In addition, EPA now has a system that allows market participants to submit transfers over the internet and that provides real time transfers and instantaneous confirmation.

Conservation and Renewable Energy Reserve

Activities that must be performed by EPA to distribute allowances from the Conservation and Renewable Energy Reserve include (1) registering applications and reviewing applications for completeness, (2) performing substantive reviews of applications to determine whether all necessary criteria to receive allowances have been met, (3) transferring allowances from the Reserve or notifying applicants of their failure to qualify for allowances from the Reserve, and (4) for utilities using the EPA Conservation Verification Protocol, verifying the quantified energy savings from conservation measures.

Permits

EPA staff administering the permit program perform the following task:

- Review certificates of representation, enter the information in the Allowance Tracking System, and notify the representative.

Permitting authority staff, generally at the state or local level, perform the following tasks:

- Review permit applications and issue permits. Receive and review permit applications and record submissions. Provide notice to applicants whether permit applications are complete. Reformat collected data items to constitute proposed and final permits. Provide opportunities for public comment and participation.

Emissions Monitoring

The major EPA activities related to emissions monitoring and reporting include (1) reviewing monitoring plans and certification applications, and (2) processing, reviewing and evaluating reports of quarterly emissions data from affected units. EPA has developed a computer system called the Emissions Tracking System (ETS) to track and maintain this information. EPA also answers respondent questions and conducts audits of data submissions and field audits of monitoring systems. The use of the Monitoring Data Checking software streamlines EPA's process for conducting many of these checks.

Auctions

The statute allows EPA to delegate or contract out the function of administering auctions. The EPA has entered into an agreement with the Chicago Board of Trade (CBOT) whereby the CBOT shall administer the auctions. CBOT will not charge fees for their services, bid for allowances in the auctions, or transfer allowances in the EPA Allowance Tracking System. EPA is allowing, however, clearing members of the Board of Trade Clearing Corporation (BOTCC) to bid on their own behalf or their customers' without having to submit an EPA letter of Credit Form or certified check. Payment is being guaranteed through the BOTCC, which provides trade

clearance and settlement services for CBOT. BOTCC members may charge bidders a fee for bidding on their behalf.

CBOT staff administering the auctions (auction agents) need to review procedures and prepare to conduct the auctions on an annual basis. The CBOT receives the sealed bids and payments, enters the information provided on bid forms into a computer system, and deposits the checks into a designated bank account. (Collectively, these activities comprise handling of bids and checks.) After bids are recorded, CBOT ranks the bids using a computer program and allocates the allowances. CBOT announces the results in a press conference/release. Finally, after payment is verified, EPA records the transfer of allowances and transfers the proceeds from the auction to the owners and operators from whom the allowances were withheld. EPA has developed a computer system to track the payment of proceeds.

Opt-in

EPA staff administering the opt-in permit program perform the following tasks for each opt-in applicant:

- Review certificate of representation, record information, and notify representative.
- Review permit application. Receive and review permit application and record submission. Provide notice to applicant as to whether permit application is complete. Reformat collected data items to constitute proposed and final permit.
- Notify applicant regarding allowances. Notify the opt-in permit applicant of the number of allowances the applicant would receive each year as an opt-in source.

EPA activities related to withdrawals will be to process the withdrawal notification, and ensure that all unused allowances have been surrendered at the end of the calendar year.

Annual Compliance Certification

EPA activities related to compliance reporting are (1) review end-of-year compliance submissions, (2) calculate and deduct the allowances from each affected unit, and (3) send the designated representatives an allowance reconciliation report.

NO_X Permitting

Agency staff perform the following task.

- Review NO_x compliance plan applications. Receive and review applications and record submissions. Provide notice to applicants whether applications are complete.

5.2 Collection Methodology and Management

To ensure consistency nationwide and to expedite (1) data entry, (2) the allocation of allowances from Reserves, and (3) permit issuance, EPA requires that standard reporting forms or equivalent formats or standard electronic reporting formats be used to submit all information

to be collected under this ICR. The standard forms are included in Appendix C.

Currently, respondents to collections for allowance transfer information may submit the required information on a standard written form, or using an electronic format. Permit applications and annual compliance certifications are submitted on standard paper forms, as are certifications for new and retired unit exemptions. EPA requires that standard electronic data reporting (EDR) formats be used to submit information to be collected under Part 75 and, under the 1999 rule revisions, EPA also required that data be sent via direct electronic submission to EPA beginning in the year 2001. The current EDR formats (version 2.1) are included in Appendix C to this document. As part of the 2002 rule revisions, EPA intends to make minor changes to these formats to reflect rule revisions.

Several computer systems and associated databases have been developed to (1) track allowances, (2) record quarterly emissions monitoring data, (3) track auction proceed payments, and (4) calculate the number of allowances to be deducted each year. In 2001, EPA also made available the On-line Allowance Transfer System to permit online allowance transfers and allowance account maintenance activities. The systems and databases are designed to coordinate the information for easy access and use by the Agency, states, regulated community, and the public.

The EPA also has established the Clean Air Markets Home Page on the Internet, which includes detailed information collected from emissions reports. Those without access to the Internet may use the Acid Rain Hotline to request information.

5.3 Small Entity Flexibility

For the purposes of the Acid Rain Program, EPA has adopted the Small Business Administration's definition of a "small" electric power utility as one that generates a total of less than 4 billion kilowatt-hours per year. Generally, although about two-thirds of the affected sources in Phase II generate a total of less than 4 billion kilowatt-hours per year and are required to participate in some collections under this ICR (e.g., submitting information for certification of monitors and submitting quarterly emissions monitoring reports), the costs to these sources for collections under this ICR are small relative to the revenues they generate.

All affected sources under the Clean Air Act Amendments of 1990 are required to submit permit applications and to respond to other collections under this ICR, according to the same parameters (with the exception of operators of new units of 25 MW or less, who may receive an exemption from the Acid Rain Program requirements if they qualify). Retired units may also be exempted from some reporting requirements.

The use of standardized forms will enable small entities to understand and complete permit application submissions without the level of staffing which would be necessary in the absence of such forms.

In the January 11, 1993 final Acid Rain Core Rules, EPA provided for a conditional exemption from the emissions reduction, permitting, and emissions monitoring requirements of the Acid Rain Program for new units having a nameplate capacity of 25 MWe or less that burn fuels with a sulfur content no greater than 0.05 percent by weight, because of the high cost of monitoring emissions from these sources and the *de minimis* nature of their emissions.

The Part 75 rule revisions also create an additional small unit exception. This exception incorporates optional reduced monitoring, quality assurance, and reporting requirements into Part 75 for units that combust gas and/or fuel oil and that have low levels of mass emissions (referred to as low mass emissions (LME) units). Originally, EPA required that LME units emit no more than 25 tons of SO_2 and no more than 50 tons of NO_x annually, and that they calculate no more than 25 tons of SO_2 and no more than 50 tons of NO_x annually based on required procedures for calculating and reporting emissions. As part of the 2002 Part 75 revisions, EPA has increased the NO_x threshold to <100 tons per year (and, for units that are subject to the NO_x SIP Call, no more than 50 tons per ozone season). Qualifying LME units are no longer required to keep monitoring equipment installed on (or conduct sulfur-in-fuel sampling for) low mass emissions units, nor are they required to perform quality assurance or quality control tests. Moreover, emissions reporting requirements significantly simplified for these units.

Even if a gas- or oil-fired unit does not qualify for the LME provisions, Part 75 allows gas and oil-fired units to use methods other than continuous emission monitoring systems (CEMS). The 1999 Part 75 revisions significantly reduced the costs and burdens associated with fuel sampling and QA activities for these non-CEMS methods. As discussed in the Regulatory Impact Analysis (RIA) of the final Acid Rain Implementation Regulations (October 19, 1992), smaller utilities are more likely to be dependent on these oil- and gas-fired units, especially very small utilities (see p. 5-14 of that RIA document).

Further reductions in requirements aimed specifically for small entities are limited because of the statutory requirements that all affected units use CEMS (or an equivalent method) to record and report emissions data for Title IV purposes.

5.4 Collection Schedule

Allowance Transactions

There is no specific collection schedule associated with allowance transactions.

Conservation and Renewable Energy Reserve

Submitting applications for allowances from the Conservation and Renewable Energy Reserve is voluntary. Allowances from the Reserve will be allocated on a first-come, first-served basis during the period from January 1, 1992 to December 31, 2009.

Permits

In general, each Acid Rain permit is effective for five years. Revisions to the permit may be submitted at any time.

Emissions Monitoring

Monitoring plans must be submitted only once, although certain elements of the monitoring plan are submitted (and updated as necessary) routinely as part of the EDR format. Only new units will have to apply for certification during the 2003-2005 time period. While some monitors will be required to apply for recertification, there is no set schedule for recertification.

Quarterly reports are due for each quarter during the life of this information collection request. In addition, EPA has provided for notifications to the Agency for semi-annual or annual quality assurance testing and for situations where a unit will have a revised certification deadline (for example, notifications of unit start-up for new units).

Auctions

The spot and advance auctions are currently held before March 31 of each year. The cutoff date for submission of bids is only a few days prior to the auction in order to limit the time EPA holds the bidders' money.

Opt-in

Opting in to the allowance program requires just one information collection (although monitoring information for affected sources must be collected quarterly). Opt-in permit applications may be submitted to EPA and the permitting authority at any time. Permits must be renewed at that time, and every five years thereafter. Revisions to the permit may be submitted at any time.

Monitoring plans must be submitted only once, at the time the opt-in permit application is submitted. The data upon which EPA will base its certification of each emissions monitor may be submitted after the source receives a draft opt-in permit, but must be submitted before the source may be designated an affected source. (Monitors must be installed, certified by EPA, and operating before the source may be designated an affected source.) Emissions data to meet reporting requirements are collected quarterly, 30 days after the end of each calendar quarter, beginning at the end of the first quarter in which the source becomes an affected source.

Compliance reports must be sent annually. Allowance transfer information must be submitted once for each transfer; a certificate of representation needs to be submitted only once, at the same time as the opt-in application.

Withdrawing requires only one information collection.

Annual Compliance Certification

This information is collected annually from January through March for the preceding calendar year.

NO_X Permitting

Acid Rain permits, including NO_X compliance plans must be renewed every five years.

6. ESTIMATING THE BURDEN AND COST OF COLLECTIONS

This section estimates the paperwork burden and cost of (1) tracking and transferring allowances, (2) obtaining and distributing allowances from the Conservation and Renewable Energy Reserve, (3) obtaining and issuing permits, (4) submitting monitoring plans, obtaining certification of each monitor, and recording and reporting data from CEM systems, (5) the auction program, (6) the opt-in program, (7) end-of-year compliance activities, and (8) NO_X permitting.

First, assumptions regarding allowance transfers are presented, followed by the annual respondent and Agency burden and cost estimates associated with allowance transfers. Subsequent sections separately address allowances for energy conservation and renewable energy use, permits, emissions monitoring, auctions, opt-in, and annual compliance. Finally, aggregate annual burden hour and cost estimates to respondents and to EPA for collections covered by this ICR are presented.

Estimating Labor Costs

To calculate labor costs, EPA used the following amounts: $73.42 per hour for managers, $50.44 per hour for technicians, and $23.53 per hour for clerical workers. As noted above, these rates were derived by using the rates from the previous ICR and updating them with the Employment Cost Index to June 2001.

The labor cost to the Agency, $47.52 per hour, was also derived by updating the rate from the previous ICR.

6.1 Tracking and Transferring Allowances

Labor burden and costs for collections associated with tracking and transferring allowances are functions of the number of transfers anticipated. Based on number of transfers recorded by EPA in 2000 and 2001, EPA is assuming that about 4,800 privately submitted allowance transfers will be made each year, 2003 through 2005.

6.1.1 Estimate of Respondent Burden and Costs for Transfers

Exhibit 1 presents the annual burden and costs to participants in allowance transfers. Participants that are not affected units are required to negotiate an agreement to designate an authorized account representative and file a new account application; this activity is required only one time, prior to or simultaneous with the participant's first transfer of allowances. All participants are required to complete and submit allowance transfer information for each transfer of allowances. EPA estimates about 16 hours to designate an authorized account representative and to open a general account, and about 2 hours to prepare and submit information for an allowance transfer.

Assuming that 65 participants file new general account applications and 4,800 transfers will be made annually, the burden to respondents will be about 10,640 hours annually. The cost to respondents will be about $652,705 annually.

EXHIBIT 1
ANNUAL RESPONDENT BURDEN/COST ESTIMATES FOR ALLOWANCE TRANSFERS

Tasks	Burden Hours per Occurrence	Cost per Occurrence[a]	Total Burden[b]	Total Cost
Designate an authorized account representative and file new account application				
Managerial	5	$367.10	325	$23,861.50
Technical	10	$504.40	650	$32,786.00
Clerical	1	$23.53	65	$1,529.45
Prepare and submit allowance transfer information				
Managerial	1	$73.42	4,800	$352,416.00
Technical	1	$50.44	4,800	$242,112.00
TOTAL			10,640	$652,704.95

[a] 2001 dollars.
[b] Assumes 65 participants file new account applications and 4,800 transfers are made.

6.1.2 Estimate of Agency Burden and Costs for Transfers

Agency burden and costs are divided into those costs associated with enhancing a tracking system and those associated with transferring allowances.

Allowance Tracking System

The allowance system regulations set the general requirements for the tracking system, which has been developed by EPA. In order to track allowances, the allowance tracking system must include information on (1) allowance allocations for each affected unit, (2) allowance transfers and deductions, and (3) allowance holders. Also, to allow for the transfer of future year allowances, the allowance tracking system will contain allowance information for thirty years into the future. EPA has made the information compiled in the allowance tracking system publicly available in several formats on the internet and is continually working to improve electronic access.

EPA incurs annual operation and maintenance (O&M) costs for running an electronic transmission network, system enhancement, general maintenance, and employee salaries. These O&M costs are estimated at $100,000 to $200,000 per year (or an average of about $150,000 annually).

Allowance Transfer System

Upon receipt of an allowance transfer notification in hard copy form, EPA will (1) review allowance transfer information for completeness and ensure that all requirements have been met, (2) record allowance transfers, and (3) notify both participants to a transfer whether the transfer was recorded. EPA estimates that it will require an average of one hour to perform these activities for each notification. Assuming 1,500 (out of the 4,800 total) transfers will be made using paper forms each year, the annual burden to EPA will be about 1,500 hours. There is no Agency burden when participants use the electronic on-line transfer system, since all EPA functions are automated. Costs for maintaining the on-line system are included in the O&M costs. The total cost to EPA will be about $71,280 annually. Exhibit 2 summarizes the Agency burden and cost estimates for recording and transferring allowances.

EXHIBIT 2
ANNUAL AGENCY BURDEN/COST ESTIMATES FOR ALLOWANCE TRANSFERS

Tasks	Burden Hours Per Occurrence	Cost Per Occurrence[a]	Total Burden[b] (Hours)	Total Cost
Review allowance transfer information, record transfer, and notify transfer participants	1	$47.52	1,500	$71,280
TOTAL			1,500	$71,280

[a] 2001 dollars.
[b] Assumes 1,500 transfers are made annually.

6.2 Obtaining and Distributing Allowances From the Conservation and Renewable Energy Reserve

Although it is difficult to predict the number of utilities that will apply for allowances from the Conservation and Renewable Energy Reserve, based on previous years this analysis assumes that 7 applications will be submitted each year (2003 through 2005). EPA is also assuming that only one application for allowances will be submitted by any one utility in a particular year.

6.2.1 Estimate of Respondent Burden and Costs

Exhibit 3 depicts the annual respondent burden and costs associated with obtaining

allowances from the Conservation and Renewable Energy Reserve. Each utility applying for allowances from the Reserve is required to perform the following tasks: (1) designate energy conservation measures implemented and renewable energy sources used to avoid emissions; (2) verify savings from energy conservation measures and/or amount of generation from renewable energy; (3) calculate the tons of emissions avoided; and (4) demonstrate qualification to receive allowances for emissions avoided. Because most states already collect information on these activities from utilities, the primary burden to utilities will be that associated with assembling and submitting to EPA the application to receive allowances from the Reserve. Assuming it will take applicants about 46 hours to assemble and submit an application to receive allowances from the Reserve to EPA, and an additional 32 hours if the applicant chooses to assemble and submit the information required in the EPA Conservation Verification Protocol, the total annual burden to respondents will be 418 hours each year, 2003 through 2005. The total annual cost to utilities applying for allowances from the Conservation and Renewable Energy Reserve will be $22,152 annually.

EXHIBIT 3
ANNUAL RESPONDENT BURDEN/COST ESTIMATES FOR CONSERVATION AND RENEWABLE ENERGY ALLOWANCES

Tasks	Burden Hours per Application	Cost per Application[a]	Total Burden (Hours)	Total Costs
Assemble and submit an application to receive allowances from the Reserve[b]				
Managerial	11	$807.62	77	$5,653.34
Technical	30	$1,513.20	210	$10,592.40
Clerical	5	$117.65	35	$823.55
Assemble and submit the information required in the EPA Conservation Verification Protocol[c]				
Managerial	7	$513.94	21	$1,541.82
Technical	22	$1,109.68	66	$3,329.04
Clerical	3	$70.59	9	$211.77
TOTAL			418	$22,151.92

[a] 2001 dollars.
[b] Assumes 7 applications each year (2003-2005).
[c] Assumes 3 applicants will utilize the EPA Conservation Verification Protocol each year.

6.2.2 Estimate of Agency Burden and Costs

Exhibit 4 depicts the annual burden and costs to EPA associated with distributing allowances from the Conservation and Renewable Energy Reserve. Tasks performed by EPA related to the distribution of allowances from the Reserve include the following: (1) register applications and review applications for completeness; (2) perform substantive reviews of applications to determine whether all necessary criteria to receive allowances have been met; (3) transfer allowances from the Reserve or notify applicants of their failure to qualify for allowances from the Reserve; and (4) for utilities that choose to use the EPA Conservation Verification Protocol, verify the quantified energy savings from conservation measures. Assuming it takes EPA about 11 hours to process each application and transfer allowances (or notify applicants), the total annual Agency burden for distributing allowances from the Reserve is an estimated 57 hours. At a cost of $47.52 per hour, the total annual cost to EPA will be $2,709.

EXHIBIT 4
ANNUAL AGENCY BURDEN/COST ESTIMATES FOR CONSERVATION AND RENEWABLE ENERGY ALLOWANCES

Tasks	Burden Hours per Application	Cost per Application[a]	Total Burden (Hours)	Total Costs
Register application and review for completeness[b]	1	$47.52	7	$332.64
Perform substantive review of application[b]	4	$190.08	28	$1,330.56
Transfer allowances from the Reserve or notify applicants[b]	1	$47.52	7	$332.64
Verify energy savings based upon the EPA Conservation Verification Protocol[c]	5	$237.60	15	$712.80
TOTAL			57	$2,708.64

[a] 2001 dollars.
[b] Assumes 7 applications each year (2003-2005).
[c] Assumes 3 applicants will utilize the EPA Conservation Verification Protocol.

6.3 Obtaining and Issuing Permits

This part presents estimates of the level of effort required and the associated costs to permit applicants and either EPA or the permitting authority of obtaining and issuing permits. This analysis estimates the cost and burden for new sources required to obtain permits for Phase II, for sources changing designated representatives, and sources renewing their permit.

All applicants for permits will be required to submit a general acid rain permit application for each affected source that covers all units at the source.

6.3.1 Estimate of Respondent Burden and Costs for Permiting

Exhibit 5 depicts the burden and costs to respondents for (1) selecting a new designated representative, (2) submitting Phase II permit application, (3) submitting a retired unit exemption, and (4) submitting a new unit exemption. Based on the past few years of operation, EPA assumes that each year 490 Certificate of representation forms will be submitted to appoint new designated representatives, 20% of all sources will submit Phase II permit applications (this number includes both new sources and sources renewing their permits), 50 units will submit retired unit exemptions, and 145 units will submit new unit exemptions.

The total annual respondent burden is estimated to be 15,410 hours. The costs associated with the permitting process are estimated at $961,094 annually.

EXHIBIT 5
RESPONDENT BURDEN/COST ESTIMATES FOR PERMITS

Tasks	Burden Hours Per Occurrence	Cost Per Occurrence[a]	Total Burden	Total Cost
Change Designated Representaive[b]				
Managerial	20	$1,468.40	9,800	$719,516.00
Technical	3.5	$176.54	1,715	$86,504.60
Clerical	3.5	$82.36	1,715	$40,356.40
Phase II Permit Applications[c]				
Managerial	2	$146.84	580	$42,583.60
Technical	2	$100.88	580	$29,255.20
Clerical	1	$23.53	290	$6,823.70
Retired Unit Exemption[d]				
Managerial	1	$73.42	50	$3,671.00
Technical	1	$50.44	50	$2,522.00
Clerical	1	$23.53	50	$1,176.50
New Unit Exemption[e]				
Managerial	1	$73.42	145	$10,645.90
Technical	2	$100.88	290	$14,627.60
Clerical	1	$23.53	145	$3,411.85
TOTAL			15,410	$961,094.35

[a] 2001 dollars.
[b] Assumes that 490 certificate of representation forms will be submitted.
[c] Assumes 290 sources (20% of all affected sources) will submit Phase II permit applications each year.
[d] Assumes 50 units will submit retired unit exemptions each year.
[e] Assumes 145 units will submit new unit exemptions each year.

6.3.2 Estimate of Agency/Permitting Authority Burden and Costs for Permitting

Exhibit 6 presents the burden and costs to EPA and the permitting authority to review and

process permit information. The primary tasks performed by EPA are reviewing certificates of representation, and reviewing permit applications. The primary tasks performed by the permitting authority are reviewing and processing permit applications, notifying the public, and issuing proposed and final permits, and reviewing new and retired unit exemptions. Reviewing a certificate of representation and determining completeness notice is estimated to require half an hour. Reviewing the permit application, notifying the public, and issuing proposed and final permits is estimated to require 9 hours per occurrence. The Agency's total annual effort will be 593.5 hours. The total cost to EPA for all permitting activities will be about $28,202. The total annual estimated burden and cost to the Permitting Authorities is 2,710 hours and $128,792.

EXHIBIT 6
ANNUAL AGENCY/PERMITTING AUTHORITY BURDEN/COST ESTIMATES FOR PERMITS

Tasks	Burden Hours Per Occurrence	Cost Per Source[a]	Total Burden (Hours)	Total Cost
EPA reviews certificates of representation and records information[b]	0.5	$23.76	245	$11,642.40
Review permit application, and issue draft, proposed, and final permit[c]				
Permitting Authority action	8	$380.16	2,320	$110,246.40
EPA review	1	$47.52	290	$13,780.80
Receive and process retired and new unit exemptions[d]				
Permitting Authority action	2	$95.04	390	$18,532.80
EPA review	0.3	$14.25	58.5	$2,778.75
TOTAL			3,303.5	$156,981.15

[a] 2001 dollars.
[b] Assumes 490 sources submit a certificate of representation.
[c] Assumes 290 sources (20% of all affected sources) will submit Phase II permit applications each year.
[d] Assumes 50 retired and 145 new unit exemptions are submitted each year.

6.4 Emissions Monitoring Recording and Reporting

This section estimates the paperwork burden and cost of submitting monitoring plans, obtaining certification of each monitoring system, conducting monitor quality assurance activities, and recording and reporting data from CEM systems (or approved alternatives), and other ancillary activities (such as responding to EPA generated error messages, or responding to EPA audits).

The legislative requirements in Title IV require all affected Phase I and Phase II sources to install SO_2 and NO_x CEM systems, opacity monitors (COMS), and flow monitors (or approved alternatives). Data handling or reporting is required by the law, but not specified. Under the promulgated regulations, however, EPA imposes data handling, reporting, and recordkeeping requirements. The EPA requires that all affected units required to install CEM systems use a data acquisition and handling system (DAHS) to record hourly CEM and flow monitor data in the EDR format. Affected gas- and oil-fired units may elect to use the approved alternative SO_2 monitoring method and record fuel sulfur analysis data, and then use a DAHS to record and report hourly fuel flow values from a fuel flow meter in the EDR format. In addition, peaking units that burn natural gas and/or fuel oil may use an excepted method for calculating NO_x emission rates. Finally, EPA allows certain low mass emissions (LME) units to use assumed emission factors together with operational data to calculate emissions.

Affected sources are required to complete and submit a monitoring plan and obtain certification of each monitor (on standard forms) for each affected unit at the source. These plans and certifications, which are only submitted once, have already been submitted for most units. Sources, however, may need to submit revised plans or even recertify if they change some aspect of their existing plan. New units will still need to submit plans and certifications for the first time. In addition, all affected units are required to submit quarterly reports of their emissions data to EPA; these reports include much of the basic monitoring plan data as well.

To develop this renewal ICR, EPA relied primarily on the extensive efforts to identify and calculate burdens for the prior ICR renewal. At that time, EPA had promulgated significant revisions to Part 75 to address a number of implementation concerns that affected sources had raised. In 2002, EPA is promulgating less significant revisions to Part 75 that address a number of procedural and technical issues, the possibility of non-load based units using Part 75 as part of the NO_x SIP Call, and the expanded use of the LME provisions. For the rule revisions, only the expanded use of the LME provisions has a significant (downward) impact on the reporting and recordkeeping burdens for Acid Rain units addressed in this ICR. In addition, EPA did analyze as part of this renewal whether the burden of submitting reports has decreased over time as a result of program maturity and improved automated tools. As a result of that analysis, EPA has reduced the estimated burdens for this activity below the level used in the prior ICR.

To quantify the respondents' burdens and costs, EPA analyzed existing data reported by the affected sources, and developed model unit categories to classify and characterize the affected population. The number of units in each model category includes an estimate of the increased number of units eligible for the LME methodology under the 2002 Part 75 revisions. The estimated increase in units using the LME methodology was based on an analysis of the impact of the LME revisions that examined the number of ARP units eligible for LME under different cutoff levels (see Docket No. A-2000-33, Item IV-A-6). That analysis showed that approximately 14% of fuel eligible ARP units may be eligible for LME under the expanded NO_x emission cut-offs in the revised rule, compared to approximately 9% under the previous rule. This ratio was applied to the total number of existing fuel eligible units to estimate the number of units that can use the LME methodology. The increase in LME units required decreases in the populations of units using the

other NO_x methodologies. The decreases for these different methodologies were also based on ratios from the LME analysis.

A projection of the number of new units that will come on line in 2003 - 2005 was also made and included in the unit counts. The new unit estimates were based on the three year average of new units coming on line in the 1999 - 2001 period (221 units/year). New units were apportioned to the different monitoring methodologies based on the existing monitoring methodology apportionment for units on line in 2001 (the most recent year), and then adjusted to account for LME revisions in a similar manner as described for existing units.

The result of this analysis characterizes the total number of reporting units into the following model categories:

- Model A (units with SO_2, flow, NO_x, and CO_2 CEMS): 1060 total units.
- Model B (units with opacity CEMS solely as a result of Title IV): 500 total units. (Note: these units also are classified under other models for SO_2, NO_x, and CO_2 requirements.)
- Model C (units with Appendix D monitoring for SO_2 and CEMS for NO_x): 1200 total units.
- Model D (units using both Appendix D and Appendix E for SO_2 and NO_x): 220 total units.
- Model E (units using the LME methodology): 240 total units
- Model F (units with moisture monitors necessary for moisture correction): 60 total units. (Note: These units are also classified under other models for SO_2, NO_x, and CO_2 requirements.)

To estimate the burden and/or cost for each model, EPA has relied on the estimates included in the prior ICR renewal for labor hour estimates of each activity. In addition, the hourly labor rates for managerial, technical and clerical staff reflect the labor rates used in the existing ICR but updated to 2001 dollars using the Employment Cost Index, consistent with Agency ICR guidance.

6.4.1 Estimating Respondent Burden

The primary tasks performed by owners and operators of affected units are (1) reviewing the regulations, forms and instructions, (2) responding to EPA generated error messages and audits, (3) reprogramming a DAHS and debugging the software, (4) completing and submitting monitoring plans for each unit at the source, (5) performing appropriate tests and providing test results to certify each monitor, (6) performing quality assurance testing and maintenance upon monitors, (7) assuring the quality of emissions data, preparing quarterly reports of emissions data, and submitting reports to EPA; and (8) fuel sampling.

(i) Regulatory Review.

EPA estimates that the time to review instructions and requirements should be 24 manager

hours and 24 technician hours per year, per source, in 2003. This increase reflects the cost of familiarization with the 2002 rule revisions and revisions to the EDR formats and instructions, and is consistent with the estimate used at the time EPA promulgated the 1999 revisions to Part 75 (a conservative approach given that the 1999 revisions were more extensive than the 2002 revisions). The estimate decreases after the first year to be consistent with the labor estimates used in the previous ICR for years 2000 and 2001 (4 manager hours and 4 technician hours for both 2004 and 2005). The EPA is making available an easy-to-use unofficial redline/strikeout version of the regulations to simplify the process of reviewing the 2002 regulatory changes.

(ii) Response to Error Messages/Audits.

The EPA provides feedback to sources so that suspected errors in submissions by sources are noted and corrected. With the use of the MDC software, EPA believes that the burdens for this activity have decreased over time. At the same time, however, EPA has increased its audit oversight and expects to conduct a number of electronic and field audits of facilities over the next few years. In particular, EPA anticipates making significant use of electronic audits as a means to provide continuous data quality improvement. This effort will result in increased burdens for respondents. In addition, if EPA conducts a field audit, the burden to a source could involve from 24 to 36 hours. However, on a per unit basis, these field audit impacts are less significant because not every unit will be subject to an audit in a particular year. EPA projects no more than 40 audits per year. If the average burden of an audit is 30 hours per audit, the per unit burden for all units that would be associated with EPA's audit activities is less than one hour of burden per respondent. As a result of these initiatives, EPA has conservatively estimated a tripling of the burden hours for this activity (from 8 to 24 hours per unit). Note that, because this activity should be inapplicable for the simplified reporting required of low mass emissions units, the total number of respondents for this activity excludes the LME units.

(iii) DAHS Upgrade and Debugging.

Each source must purchase (or create) and install computer software designed to implement the electronic data reporting (EDR) formats required under the Acid Rain Program. Because of the 2002 rule revisions, the existing software will have to be upgraded. The costs of the upgrade are discussed in Section 6.4.2, below. The Agency estimates that sources will incur 8 manager and 16 technical hours in 2003 to coordinate the purchase and installation of the upgraded software. In addition, consistent with the prior ICR, EPA estimates that each source will have some burdens for debugging the software. Consistent with the previous ICR, EPA assumes a higher burden in the first year of implementing the new, upgraded software followed by only a minor amount of burden in the second and third years (see line 3 of Exhibit 7). Sources that have only low mass emissions units will not be impacted by these requirements and are excluded from the total number of respondents for these line items in Exhibit 7. In addition, new units will not be required to upgrade the software since they will be purchasing the software for the first time with the upgrades already included. They will incur the overall capital expense of systems purchase, and an appropriate line item for this capital/startup cost is included. In addition, they will have debugging costs just as other units.

(iv) Monitoring Plans.

Consistent with the existing ICR, completing and submitting monitoring plans is estimated to require an average of about 20 hours per unit initially. For existing units, initial monitoring plan submissions will be received prior to the time period covered in this renewal ICR, and, consistent with the existing ICR, EPA does not include burden hours for existing units under this initial monitoring plan development task area during the 2003-2005 period. The burden associated with revising the monitoring plan is included in the time for preparing and submitting each quarterly emissions report.

For new units, EPA has used the average number of new units for 1999, 2000, and 2001 as a projection for the average number of new units expected in 2003-2005. These units have a separate line item for initial monitoring plan preparation.

(v) Monitor Certification.

Based on information gathered as part of the 1999 rule revisions, EPA included assumptions in the previous ICR renewal to include labor burdens for monitor certification activity as well as test contractor costs. For existing units, only recertifications are included in the estimated activities for 2003-2005 The Agency estimates a labor burden of 50 hours and a contractor cost of $3,400 per respondent. The cost and burden figures exclude the costs and burdens associated with conducting a RATA as part of the recertification process because those costs are incorporated within the annual QA costs for previously certified monitoring systems. For new units, the monitor certification costs are included in the capital/startup costs.

(vi) Quality Assurance.

Quality assurance (QA) testing and maintenance upon monitoring systems is the largest burden item under the monitoring, reporting and recordkeeping requirements for the Acid Rain Program. The requirements include daily, quarterly and annual QA requirements, depending on the monitoring approach being used. For reporting units that use a full set of CEMS (SO_2, flow, NO_x and CO_2), the Agency has developed a per unit labor burden based primarily on information gathered from affected sources. For units that also are required to install and maintain a continuous opacity monitoring system (COMS) as a result of Part 75, additional labor burdens apply. For units that rely on Appendix D excepted methods for SO_2 but use a NO_x and CO_2 CEMS, reduced labor burden estimates apply because the quality assurance activities for the excepted methods are less than for a CEMS. The labor burdens for these excepted methods were derived primarily from cost estimates provided by a group of affected utilities (see Docket A-97-35, Item II-D-48). For units that rely on the excepted methods under both Appendix D and E (i.e., units without CEMS), the burden estimates are reduced further because no CEMS QA is required. For the relatively small number of units that require moisture correction, labor burdens for moisture monitoring QA activities have been added based on information supplied by an affected utility (see Docket A-97-35, Item II-D-94). Finally, for units that use the LME provisions, no QA requirements apply except for units that use the unit-specific default value option. Those units are

required to test the unit to determine a unit specific value. That cost has been included as a contractor cost for all new LME units. Using the data discussed above, EPA estimates that the average respondent (using a weighted average for the units that fall under Models A-F) will require approximately 450 labor hours to meet the QA requirements of Part 75. Consistent with the existing ICR, this labor is expected to be almost entirely technician labor.

(vii) Quarterly Reports.

Tasks performed by utilities in preparing quarterly reports include: (1) assuring the quality of the data, (2) preparing the quarterly report, (3) revising the monitoring plan, if necessary, (4) preparation of hard copy documentation accompanying the quarterly reports, and (5) managerial review. EPA has been improving electronic file transfer procedures over the past few years and has been developing automated tools that allow sources to quality assure their reports. EPA believes these efforts have reduced the average burdens per report over time. In addition, because the program is maturing, the respondents have developed procedures and methods to increase their efficiency with reporting. The 1996 ICR estimated 240 hours per unit for this activity. As a result of the 1999 Part 75 revisions, this estimate was decreased to 204 hours, but that estimate was not based on consideration of potential changes in burden that may have occurred outside the scope of the specific reduced reporting requirements in the 1999 rule revisions. Based on consultations with a few utility representatives, EPA believes that this burden activity area significantly overstates the average burden levels, although it may be accurate for some units. Based on these consultations, the weighted average unit burden per unit for this activity would be 65 hours. The contacts provided a fairly wide range of estimates for this activity, however, and thus EPA is conservatively using a 102 hour per unit estimate in this ICR renewal (a 50% reduction from the 1999 ICR). For LME units, the estimate remains at 16 hours per year for each LME unit.

6.4.2 Estimating Respondent Costs

Exhibit 7 summarizes the annual respondent costs. The following discussion describes how those costs were derived.

(i) Estimating Total Capital and Annual Operations and Maintenance Costs

Capital/start-up costs include the cost of installing required CEMS or alternatives. The Agency has also included a cost for the purchase of monitoring equipment based on the values used in the 1999 ICR, and with an increase to reflect purchase of an upgrade to the DAHS software for each source. The estimated cost is $4,000 based on DAHS upgrade estimates used in the NO_x SIP Call ICR (OMB No. 2060-0443) for a DAHS upgrade that is consistent with the overall level expected in 2003. The Agency developed the capital cost estimates for the CEM and other equipment based on Agency CEM cost models, comments from various affected utilities, and other information gathered during the rulemaking process (see, for example, Docket A-97-35, Item IV-A-5). The cost estimates vary depending on how many and what type of monitors are required. Annualized capital cost estimates are included for each of the Models A-F on Exhibit 7, and are the

same as in the previous ICR. The annualized costs ranged from $71,195 for units with a full set of CEMS (Model A), to $29,475 for a unit that uses NO_x CEMS and Appendix D methods (Model C), to $1,424 for units that use both Appendix D and Appendix E methods without any CEMS (Model D). There are no capital/start-up costs for LME units. A discussion of how the capital/start-up costs were annualized follows in Section 6.4.2(iv).

In addition to capital/start-up costs, respondents incur operation and maintenance costs (exclusive of labor costs) that reflect ongoing costs to a unit. These costs include both contractor costs for the required recertification, diagnostic, and quality assurance (QA) testing, and other direct maintenance-related expenses (e.g., spare parts and calibration gases). The cost estimates used in this renewal ICR are generally the same as the 1999 ICR, and have been derived from EPA CEM cost models, existing ICRs, Agency staff experience under the Acid Rain Program, information gathered during development of the 1999 Part 75 revisions, and supplemental estimates provided by affected utilities and others related to the various cost items (see, e.g., EPA Air Docket A-97-35, Item II-D-48). The total cost for these operation and maintenance cost items (other than fuel sampling) is estimated at $30,380 for a unit with a full set of CEMS, while units that use alternate methodologies have reduced costs. The fuel sampling costs are presented as a separate line item, and are estimated to be $581,100 per year, for all units. This is the same value used in the 1999 ICR, and assumes that oil usage and sampling has not increased (Energy Information Administration Electric Power Annual for 2000 and 1999 show a decline in oil use to generate electricity). Based on information received from affected utilities, the Agency has included fuel sampling as an O&M cost rather than a source labor burden (see Docket A-97-35, Items IV-A-5 and IV-G-3).

Note that testing contractor costs for certification, recertification and annual RATAs also are presented as other direct costs and are not converted to equivalent source labor hours. This approach is consistent with the common business practice for obtaining outside contractors to conduct certification/recertification tests and annual relative accuracy test audits. For initial certification, the certification test costs are commonly bundled with equipment purchase contracts, according to information provided by a range of CEMS equipment vendors. For RATAs that are conducted either as part of the annual quality assurance requirements or as part of recertification, industry contacts have indicated that RATA testing is usually performed under a fixed price contract basis, except for travel costs that may be billed on an hourly basis beyond the basic contract cost. For annual RATAs, the sources indicated that an annual contract between a testing company and utility is often used. One municipal utility representative indicated that the applicable municipal regulations required that outside contracts be on a flat fee, not hourly, basis.

(ii) Capital/Start-up vs. Operating and Maintenance (O & M) Costs

Capital costs reflect one-time costs for purchase of equipment which will be used over a period of years. Conversely, operating and maintenance costs are those costs which are incurred on an annual or other scheduled basis. For instance, costs associated with quality assurance activities, such as spare parts or contractor costs for work, will be incurred on an annual basis.

(iii) Annualizing Capital Costs

The capital costs of equipment were annualized over a 10-year period, with the average estimated CEM system life based on input from CEM vendors. Costs were annualized at a discount rate of seven percent. Note that these estimates continue to include ongoing capital costs that were capitalized over more than a 3 year period in the previous ICR renewal for the Acid Rain Program. The annualized cost of the necessary DAHS upgrade purchase associated with the 2002 rule revisions is $570 per source; this figure was added to the existing capitalized costs from the 1999 ICR. The annualized cost of CEM systems and fuel flowmeters is estimated to total an average of approximately $41,540 per unit.

6.4.3 Estimating Agency Burden and Cost

The tasks that will be performed by EPA include processing, reviewing, and evaluating emissions data reports submitted by utilities, and conducting appropriate audit activities to verify the information provided. The estimated Agency burdens remain the same as the 1999 ICR on a per report basis (two hours). Even though EPA intends to increase its audit oversight efforts, there is no increased per report burden because of offsetting burden reductions from increasing familiarity with the program and improved automated tools. Assuming that affected sources will submit 2,720 emissions reports to EPA per quarter, the total annual burden incurred by the Agency will be 21,760 hours. The total annual cost to EPA to process, review, and evaluate these quarterly emissions reports will be approximately $1 million. Exhibit 8 summarizes the Agency burden and costs associated with emissions reporting.

6.4.4 Estimating the Respondent Universe and Total Burden and Costs

EPA estimates that: (a) 1030 sources will review instructions and requirements; (b) 870 sources (this number excludes sources with only low mass emissions units and new units) will reprogram and debug DAHS computer software; (c) 2,720 units will submit quarterly reports; and (d) 2,480 units will respond to EPA generated error messages (of which about 40 units will also respond to EPA audit activities), and perform QA testing and maintenance (units using the LME methodology are excluded from these activities). In addition, EPA estimates that approximately 230 units will recertify per year. Exhibit 7 shows the total burden and total cost based on this respondent universe.

The EPA expects a small variation in the annual bottom line, reflecting the reduced time in 2004/2005 to review instructions, reprogram a DAHS, and debug computer software. The variation is not expected to be greater than 10%.

EXHIBIT 7
ANNUAL RESPONDENT BURDEN/COST ESTIMATES FOR EMISSIONS MONITORING

	Mgr. $73.42/ Hour		Tech. $50.44/ Hour		Respon. Hrs./Year		Labor Cost/Year		Cont./ O&M Cost	Capital/ Startup Cost	No. of Resp.	Total Hours/Year		Total Cost/Year	
INFORMATION COLLECTION ACTIVITY	**2003**	**2004/ 2005**	**2003**	**2004/ 2005**	**2003**	**2004/ 2005**	**2003**	**2004/ 2005**	**2003/ 2004/ 2005**	**2003/ 2004/ 2005**	**2003/ 2004/ 2005**	**2003**	**2004/ 2005**	**2003**	**2004/ 2005**
1. Review Instructions and Requirements	24	4	24	4	48	8	$2,973	$495	$0	$0	1030	49,440	8,240	$3,061,819	$510,303
2. Respond to EPA Generated Error Messages, Field Audits	6	6	18	18	24	24	$1,348	$1,348	$0	$0	2480	59,520	59,520	$3,344,131	$3,344,131
3a. DAHS Upgrade	8	0	16	0	24	0	$1,394	$0	$0	$2,848	870	20,880	0	$3,690,888	$2,477,760
3b. DAHS Debugging	8	4	24	12	32	16	$1,798	$899	$0	$0	940	30,080	15,040	$1,690,045	$845,022
4. New Unit Monitoring Plans	10	10	10	10	20	20	$1,239	$1,239	$0	$0	220	4,400	4,400	$272,492	$272,492
5. Recertify Monitors	38	38	12	12	50	50	$3,395	$3,395	$3,400	$0	230	11,500	11,500	$1,562,905	$1,562,905
6. Startup/Capital Items and Perform QA Testing and Maintenance															
(a) Model A (CEMS)	50	50	480	480	530	530	$27,882	$27,882	$30,380	$71,195	1060	561,800	561,800	$137,224,632	$137,224,632
(b) Model B (COMS)	0	0	171	171	171	171	$8,625	$8,625	$288	$3,560	500	85,500	85,500	$6,236,620	$6,236,620
(c) Model C (App D-Nox CEM)	20	20	375	375	395	395	$20,383	$20,383	$17,400	$29,475	1200	474,000	474,000	$80,710,080	$80,710,080
(d) Model D (App D and E)	5	5	30	30	35	35	$1,880	$1,880	$4,275	$1,424	220	7,700	7,700	$1,667,446	$1,667,446
(e) Model E (LME)	0	0	0	0	0	0	$0	$0	$10,000	$0	50	0	0	$0	$500,000
Model F (H2O)	0	0	40	40	40	40	$2,018	$2,018	$8,000	$854	60	2,400	2,400	$0	$652,296
7a. Assure Data Quality, Prepare Reports (inc. monitor plan update), Submit Reports	20	20	82	82	102	102	$5,604	$5,604	$0	$0	2480	252,960	252,960	$13,899,110	$13,899,110
7b. LME Reporting	4	4	12	12	16	16	$899	$899	$0	$0	240	3,840	3,840	$215,750	$215,750
8. Annual Fuel Sampling	0	0	0	0	0	0	$0	$0	$581,100	$0	0	0	0	$581,100	$581,100
											TOTAL:	1,564,020	1,486,900	254,157,019	250,699,649
											ANNUAL AVERAGE:	1,512,607		251,852,106	

EXHIBIT 8
ANNUAL AGENCY BURDEN/COST ESTIMATES FOR EMISSIONS REPORTING

Tasks	Quarterly Burden Hours Per Report	Quarterly Cost Per Report[a,b]	Number of Reports[c]	Total Burden Per Year (hours) (2003-2005)	Total Cost
Process, review, and evaluate quarterly report and issue feedback letter	2	$47.52	10,880	21,760	$1,034,035

[a] Based on an average total compensation rate of $47.52 per hour
[b] Updated from 1998 dollars using the same factor (1.11) as used to update the Respondent labor cost.
[c] Assumes 2720 emission data reports each quarter.

6.5 Auctions

This part presents estimates of the burden and costs to participants and the Federal government associated with the auction program. EPA has delegated the administration of the auctions to the Chicago Board of Trade (CBOT).

Auctions are held only once a year. No restrictions are placed on the number of allowances for which a participant may bid. Multiple bids from a given participant are permitted, but each bid is treated individually and requires a separate bid form. Based on the average number of bids in the past four auctions, EPA estimates that 109 bids will be received each year.

6.5.1 Estimate of Respondent Burden and Costs

Exhibit 9 depicts the burden and costs to auction participants. Auction participants must complete and submit the bid form along with a certified check or letter of credit. EPA estimates that the auction bid form takes approximately 30 minutes to prepare, and obtaining a means of payment takes approximately one hour. This estimate includes time allocated to research the required information, fill out the form, arrange for a certified check or letter of credit, and send the material to EPA. The burden and cost to auction participants is estimated to be 163.5 hours and $11,252 per year respectively.

EXHIBIT 9
ANNUAL RESPONDENT BURDEN/COST ESTIMATES FOR AUCTIONS

Collection Activities	Burden Hours Per Bid	Cost Per Bid[a]	Burden Hours Per Year	Cost Per Year
1. Completing bid forms[b]	0.5	$34.41	54.5	$3,750.69
2. Obtaining means of payment[b]	1	$68.82	109	$7,501.38
TOTAL:	1.5	$103.23	163.5	$11,252.07

[a] Based on an average rate of $68.82 per hour (For costing purposes, it is assumed that 80 percent of the total hours will be Managerial ($73.42/hr.) and 20 percent will be Technical ($50.44/hr.). These estimates are based on 2001 dollars.
[b] The 109 bids represents an average number of bids over the past four EPA auctions.

6.5.2 Estimate of Agency Burden and Costs

Exhibit 10 depicts the burden and cost to EPA for the auction program. The CBOT incurs most of the burden and cost associated with the auction, including; the handling of bids and checks, and tabulation of the results. The burden and cost to CBOT is not included in this ICR.

Based on past experience, the burden and cost to the Agency will be about the same each year. Setting up and revising allowance tracking system (ATS) accounts for auction participants is estimated to take 10 hours, checking and announcing the auction results is estimated to take 30 hours, and transferring allowances and proceeds is expected to require 40 hours per year. As Exhibit 10 shows, the total burden to EPA for auction activities is 80 hours at a cost of $3,802.

EXHIBIT 10
ANNUAL AGENCY BURDEN/COST ESTIMATES FOR AUCTIONS

Collection Activities	Burden Hours Per Year	Cost Per Year[a]
1. Setup ATS accounts	10	$475.20
2. Check and announce results	30	$1,425.60
3. Transfer of allowances and proceeds	40	$1,900.80
TOTAL:	80	$3,801.60

[a] 2001 dollars.

6.6 The Opt-in Program

This subsection describes projections for (1) the number and types of sources that elect to participate in the opt-in program from October 2002 through September 2005, (2) the paperwork burden hours for both respondents and EPA associated with the program, and (3) the total costs of the tasks required by the opt-in program.

Over the three years covered by this ICR, EPA estimates that one unit at one operating source will opt in to the program in 2003. This figure is based on the number of opt-in applications EPA has received over the past three years.

6.6.1 Respondent Burden/Cost Estimates for The Opt-in Program

The tasks under this program are divided into the major categories of reporting -- permitting, emissions monitoring, and annual compliance certification. This section includes only the burden for these task categories for opt-in sources. Those affected sources covered by the mandatory requirements of the Acid Rain Program are covered in previous sections.

A. Opt-in Permit Applications

EPA estimates that 1 opt-in source will submit a permit application in the first year covered by this ICR. The source must select a designated representative, report operating and fuel consumption data from past years, and report the actual and allowable emissions rates for 1985 as well as the current allowable emission rate. The estimated total respondent burden related to opt-in permit applications is 312 hours, and the estimated total respondent cost is $7,349. Exhibit 11 presents the respondent burden and costs associated with opt-in permit applications for 2003.

B. Emissions Data Reporting

Emissions reporting is performed only by operating sources. The tasks for opt-in sources are identical to other affected sources and are listed in Exhibit 7. The burden and costs for emissions reporting from opt-in sources are included in the total in Exhibit 7.

C. Annual Compliance Certification

Annual compliance certification is performed by all opt-in sources. Each opt-in source is required to submit an annual compliance certification report and each unit at the source is required to submit an opt-in utilization form. Additionally, if the source is covered by a thermal energy compliance plan, it must submit a thermal energy compliance report. If an opt-in source has reduced utilization due to energy conservation or improved unit efficiency measures, it has the option of submitting an energy confirmation and improved unit efficiency confirmation report to verify the savings and offset the corresponding reduced utilization. To date none of the opt-in sources have verified energy conservation or improved unit efficiency measures, so EPA is assuming no sources will do so during the three years covered by this ICR. Finally, EPA assumes that half of the opt-in units will submit an optional allowance deduction form, which specifies the serial numbered allowances for deduction.

Total respondent burden and costs for annual compliance certification by opt-in sources are an estimated 388.5 hours and $20,741, respectively. Exhibit 12 presents respondent burden and costs for annual compliance certification by opt-in sources.

6.6.2. Agency Burden/Cost Estimates for the Opt-in Program

In 2003-2005, the Agency's burden includes; processing opt-in applications, processing quarterly emissions reports (which is included in Exhibit 8), and reviewing and certifying annual compliance reports. The Agency's total annual estimated burden and cost related to the opt-in program are 117 hours and $5,560, respectively. Exhibit 13 presents the Agency's burden and costs for opt-in program.

EXHIBIT 11

2003 RESPONDENT BURDEN/COST ESTIMATES FOR OPT-IN PERMIT APPLICATIONS

Tasks	Burden Hours per Occurrence	Cost per Occurrence[a]	Total Burden (hours)	Total Cost
Select a designated representative[b]				
Managerial	20	$1,468.40	20	$1,468.40
Technical	3.5	$176.54	3.5	$176.54
Clerical	3.5	$82.36	3.5	$82.36
Prepare opt-in permit application[b]				
Managerial	20	$1,468.40	20	$1,468.40
Technical	80	$4,035.20	80	$4,035.20
Clerical	5	$117.65	5	$117.65
Prepare thermal energy compliance plan[c]				
Managerial	15	$1,103.30	0	0
Technical	50	$2,522.00	0	0
Clerical	5	$117.65	0	0
Complete withdrawal notification[d]				
Managerial	2	$146.84	0	0
Technical	2	$100.88	0	0
Clerical	1	$23.53	0	0
TOTAL			132	$7,348.55

[a] 2001 dollars.

[b] Assumes 1 opt-in source submits a permit application in 2003.

[c] Assumes no sources file a thermal energy compliance plan.

[d] Assumes that sources that have made the investment to opt-in will not withdraw.

EXHIBIT 12
ANNUAL RESPONDENT BURDEN/COST ESTIMATES FOR OPT-IN ANNUAL COMPLIANCE CERTIFICATION

Tasks	Burden Hours Per Occurrence	Cost Per Occurrence[a]	Total Burden (Hours)	Total Cost
Review instructions, complete, and submit the following reports:				
Annual compliance certification report[b]				
Managerial	1	$73.42	5	$367.10
Technical	4	$201.76	20	$1,008.80
Clerical	0.5	$11.77	2.5	$58.85
Opt-in Utilization form[b]				
Managerial	2	$146.84	24	$1,762.08
Technical	15	$756.60	180	$9,079.20
Clerical	1	$23.53	12	$282.36
Thermal energy compliance report (shutdown opt-in sources and replacement units)[c]				
Managerial	10	$734.20	40	$2,936.80
Technical	20	$1,008.80	80	$4,035.20
Clerical	1	$23.53	4	$94.12
Allowance deduction form (optional)[d]				
Managerial	1	$73.42	6	$440.52
Technical	2	$100.88	12	$605.28
Clerical	0.5	$11.77	3	$70.62
Energy conservation/Improved unit efficiency confirmation report[e]				
Managerial	5	$367.10	0	0
Technical	24	$1,210.56	0	0
Clerical	1	$23.53	0	0
Excess emissions penalty payment[e]				
Managerial	4	$293.68	0	0
Technical	4	$201.76	0	0
Clerical	1	$23.53	0	0
TOTAL			388.5	$20,740.93

[a] 2001 dollars.
[b] Assumes 5 opt-in sources and 12 opt-in units.
[c] Assumes 4 sources file reports.
[d] Assumes 6 opt-in units submit allowance deduction forms.
[e] EPA assumes no sources will claim savings from energy conservation or improved unit efficiency or have excess emissions.

EXHIBIT 13
ANNUAL AGENCY BURDEN/COSTS FOR THE OPT-IN PROGRAM

Task	Burden Hours per Occurrence	Cost per Occurrence[a]	Total Burden Hours	Total Costs
Review certificates of representation and record information[b]	1	$47.52	1	$47.52
Review permit application, issue proposed and final permit, and assign allowances[b]	80	$3,801.60	80	$3,801.60
Review and process annual compliance certification submissions[c]	2	$95.04	24	$1,140.48
Deduct allowances and send reconciliation reports[c]	1	$47.52	12	$570.24
Total			117	$5,559.84

[a] 2001dollars.
[b] Assumes 1 opt-in source submits a permit application in 2003.
[c] Assumes 5 opt-in sources and 12 opt-in units each year.

6.7 Annual Compliance Certification

6.7.1 Respondent Burden and Cost Estimates

Each year between January1 and March 1, annual compliance certification must be performed by all affected sources. Each designated representative must submit one annual compliance certification report that includes a list of all affected units he or she represents. In addition to the compliance certification report, affected units have the option of identifying specific serial numbered allowances to be deducted by EPA. Based on past experience, EPA assumes that approximately half of all affected units will submit an optional allowance deduction form each year. EPA estimates that an average of 3,000 units represented by 550 different designated representatives will be affected during the period covered by this ICR (2003 - 2005).

Total respondent burden for annual compliance certification by Phase II affected sources is estimated to total 8,575 hours, for a total cost of $451,864. Exhibit 14 presents respondent burden and costs for annual compliance certification.

EXHIBIT 14
ANNUAL RESPONDENT BURDEN/COST ESTIMATES FOR ANNUAL COMPLIANCE CERTIFICATION

Tasks	Burden Hours Per Occurrence	Cost Per Occurrence[a]	Total Burden (Hours)	Total Cost
Annual compliance certification report[b]				
Managerial	1	$73.42	550	$40,381.00
Technical	4	$201.76	2,200	$110,968.00
Clerical	0.5	$11.77	275	$6,473.50
Common stack allowance Deduction form[c]				
Managerial	0.5	$36.71	50	$3,671.00
Technical	2	$100.88	200	$10,088.00
Clerical	0.5	$11.77	50	$1,177.00
Allowance deduction form (optional)[d]				
Managerial	1	$73.42	1,500	$110,130.00
Technical	2	$100.88	3,000	$151,320.00
Clerical	0.5	$11.77	750	$17,655.00
Excess emissions penalty payment[e]				
Managerial	4	$293.68	0	$0
Technical	4	$201.76	0	$0
Clerical	1	$23.53	0	$0
TOTAL			8,575	$451,863.50

[a] 2001 dollars.
[b] Assumes 550 reports covering 3,000 affected units are submitted.
[c] Assumes 100 optional common stack allowance deduction forms are submitted.
[d] Assumes 1,500 optional allowance deduction forms are submitted.
[e] EPA assumes that no sources will have excess emissions.

6.7.2. Agency Burden and Cost Estimates

The three primary tasks performed by the Agency during annual compliance certification are; reviewing and processing the annual form submissions, calculating and deducting allowances, and sending out allowance deduction or reconciliation reports to the source designated representatives. Based on the estimated 3,000 affected units, EPA expects the annual Agency burden to total 1,375 hours, and cost $65,340. Exhibit 15 presents the Agency's annual burden and cost for annual compliance certification.

EXHIBIT 15
ANNUAL AGENCY BURDEN/COSTS FOR ANNUAL COMPLIANCE CERTIFICATION

Task	Burden Hours per Occurrence	Cost per Occurrence[a]	Total Burden Hours	Total Costs
Review and process annual compliance certification submissions[b]	1	$47.52	550	$26,136.00
Calculate and deduct allowances[b]	1	$47.52	550	$26,136.00
Send allowance reconciliation reports[b]	.5	$23.76	275	$13,068.00
Total			1,375	$65,340.00

[a] 2001 dollars.
[b] Assumes 550 reports covering 3,000 affected units are submitted.

6.8 NO_X Permitting

This section estimates the paperwork burden and cost of renewing and revising Phase II NO_X compliance plans.

6.8.1 Estimate of Respondent Burden and Costs

Exhibit 16 presents the burden and costs to applicants for preparing and submitting NO_X Compliance Plan renewal applications and revising NO_X compliance plans. Permits, including NO_X Compliance Plans for units affected for NO_X, must be renewed every five years. Therefore, EPA assumes 20% of all units affected for NO_X (i.e., 200 units) will submit NO_X Compliance Plan renewal applications each year. Based on the past three years of the program, EPA expects to receive 6 NO_X compliance plan revisions each year.

For each compliance plan renewal, EPA estimates that the applicant will require about 5 hours, while compliance plan revisions will require about 10 hours. The total respondent burden for NO_X permitting, as shown in Exhibit 16, is estimated to be 1,060 hours each year. The costs associated with NO_X permitting are estimated at $57,804 per year.

EXHIBIT 16
RESPONDENT BURDEN/COST ESTIMATES FOR NO_X PERMITTING

Tasks	Burden Hours per Occurrence	Cost per Occurrence[a]	Total Burden Hours	Total Cost
Prepare NO_X Compliance Plan renewal applications[b]				
Managerial	2	$146.84	400	$29,368.00
Technical	2	$100.88	400	$20,176.00
Clerical	1	$23.53	200	$4,706.00
Revise NO_X Compliance Plan (e.g., emissions averaging plans)[c]				
Managerial	5	$367.10	30	$2,202.60
Technical	4	$201.76	24	$1,210.56
Clerical	1	$23.53	6	$141.18
Total			1,060	$57,804.34

[a] 2001 dollars.
[b] Assumes 200 units (20% of all NO_X affected units) submit NO_X compliance plan renewals each year.
[c] Assumes 6 respondents revise emissions averaging plans each year.

6.8.2. Estimate of Agency/Permitting Authority Burden and Costs for NO_X

Exhibit 17 presents the paperwork burden and costs to EPA for NO_X permitting. The total annual burden and cost for renewing and revising NO_X compliance plans is estimated at 106 hours and $5,037, respectively.

The tasks involved in reviewing applications will include reviewing forms for completeness and entering the revised data from the plans into a NO_X compliance database.

EXHIBIT 17
AGENCY BURDEN/COST ESTIMATES
FOR NO_X PERMITTING

Tasks	Burden Hours Per Occurrence	Cost Per Occurrence[a]	Total Burden Hours	Total Cost
Renew NO_X compliance plans[b]	0.5	$23.76	100	$4,752.00
Revise NO_X compliance plans[c]	1	$47.52	6	$285.12
Total			106	$5,037.12

[a] 2001 dollars.
[b] Assumes 200 units (20% of all NO_X affected units) submit NO_X compliance plan renewals each year.
[c] Assumes 6 respondents revise emissions averaging plans each year.

6.9 Summary of Burden Hours and Costs

Exhibit 18 summarizes the annual aggregate burden and cost estimates to respondents for the period of October 1, 2002 through September 2005 for collections associated with allowance transfers, energy conservation and renewable energy allowances, permits, emissions reporting, auctions, the opt-in program, annual compliance certifications, and NO_X permitting. Exhibit 19 summarizes the aggregate burden and cost estimates to EPA and permitting authorities for these collections.

6.10 Reasons for Change in Burden

This ICR renewal reflects a few differences from the previous ICR. This section discusses the changes in burden since the last clearance.

Overall, the estimated annual burden in 1999 from the last clearance was 1,330,327 hours. This ICR estimates the annual burden in 2003 will be 1,600,807 hours, which increases the burden by 270,480 hours. The reasons for this burden decrease are explained below.

Most of the change in burden for this collection is due to adjustments. Adjustments stem from actions outside the Agency's control. It includes changes to the number of responses and the time it takes to respond to a particular activity. The adjustments and corresponding change in burden are as follows.

- The annual number of allowance transfer submissions increased from 1,500 to 4,800. This changed the annual burden hours for allowance transfer activities from 4,950 to 10,640.

- The annual number of conservation and renewable energy reserve applications dropped from 20 to 7, while the number of applicants using EPA's conservation verification protocol increased from 1 to 3. These changes decreased the net burden from 492 to 418 hours.

- Permitting activities were estimated to require 2,435 burden hours in 1999. The estimated annual burden hours for permitting under this ICR are 15,410. This burden change reflects the inclusion of Acid Rain Program permit renewals, which was not included in the previous ICR estimates. It also reflects an increase in the number of units submitting new and retired unit exemptions. Slightly offsetting these burden increases were reductions in the burden hours per occurrence for every permitting task, and the elimination of the industrial unit exemption rule requirements.

- Adjustments increased the annual average burden for monitoring and reporting activities has increased since the 1999 ICR by approximately 324,000 hours. This reflects a significant increase in the respondent universe because of the large number of new units that came on-line in the last three years. The previous ICR renewal did not anticipate the significant increase in the number of respondents; in response, this renewal does include projected increases in the source population over the 2003-2005 period.

- The estimated number of auction bids received each year decreased from 220 to 109. This cut the burden for annual auctions in half from 330 hours to 163.5 hours.

- The estimated number of sources applying to opt-in to the Acid Rain Program was reduced from 3 to 1. This results in the estimated burden dropping from 1,487 hours in 1999 to 388.5 hours in the current collection.

- Despite an increase in the overall number of units affected by the Acid Rain Program, the burden for reporting annual compliance certification information is estimated to decrease from 21,350 hours to 8,575 hours due to streamlined reporting formats and a reduction in the estimated number of optional allowance deduction forms submitted each year.

- The burden for NO_X permitting increased from 40 hours to 1,060 hours. This burden change reflects the inclusion of NO_X compliance plan renewals, which was not included in the previous ICR estimates.

While most of the change in burden is due to adjustments, there is a smaller burden reduction due to program changes. The Part 75 emissions monitoring and reporting rule revisions decreased the burden hours by approximately 37,000 hours. The per respondent burdens are decreasing because of the expanded LME applicability and reduced estimates for submitting quarterly reports (because of improved automated tools and program maturity). EPA notes that because most of the units being built are gas-fired turbines, and in many cases, low emitting facilities and/or peaking units, these new units often have reduced monitoring requirements under Part 75. Thus, while overall burdens may show increases as the respondent universe increases, EPA expects that the per respondent burdens will continue to decrease over time based on the types of units that will come on line over the next several years, and EPA's efforts to provide streamlined monitoring options for low-emitting facilities. In this renewal, the overall burdens have increased by about 25% to account for the new units (the respondent universe has increased by over 50%), but the per respondent burdens have dropped by nearly 20%.

6.12 Burden Statement

The respondent reporting burden for this collection of information is estimated to be 1,600,807 hours in 2003 and 1,523,375 hours in the subsequent two years. The burden to EPA is estimated to be 28,298.5 hours in 2003, and 28,217.5 hours in the subsequent two years.

Burden means the total time, effort, or financial resources expended by persons to generate, maintain, retain, or disclose or provide information to or for a Federal agency. This includes the time needed to review instructions; develop, acquire, install, and utilize technology and systems for the purposes of collecting, validating, and verifying information, processing and maintaining information, and disclosing and providing information; adjust the existing ways to comply with any previously applicable instructions and requirements; train personnel to be able to respond to a collection of information; search data sources; complete and review the collection of information; and transmit or otherwise disclose the information. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. The OMB control numbers for EPA's regulations are listed in 40 CFR Part 9 and 48 CFR Chapter 15.

Send comments on the Agency's need for this information, the accuracy of the provided burden estimates, and any suggested methods for minimizing respondent burden, including through the use of automated

collection techniques to the Director, Collection Strategies Division, U.S. Environmental Protection Agency (2822), 1200 Pennsylvania Ave., NW, Washington, D.C. 20460; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, 725 17th Street, NW, Washington, DC 20503, Attention: Desk Officer for EPA. Include the EPA ICR number and OMB control number in any correspondence.

EXHIBIT 18
AGGREGATE ANNUAL RESPONDENT BURDEN AND COST OF COLLECTIONS

Program	Total Burden (Hours)		Total Costs[a]	
	2003	Subsequent Years	2003	Subsequent Years
Allowance transfers	10,640	10,640	$652,705	$652,705
Energy conservation and renewable energy allowances	418	418	$22,152	$22,152
Permits	15,410	15,410	$961,094	$961,094
Emissions reporting	1,564,020	1,486,900	$254,157,019	$250,699,649
Auctions	163.5	163.5	$11,252	$11,252
Opt-in[b]	520.5	388.5	$28,090	$20,741
Annual compliance certification	8,575	8,575	$451,864	$451,864
NO_x permitting	1,060	1,060	$57,804	$57,804
TOTAL	1,600,807	1,523,375	$256,341,980	$252,877,261

[a] 2001 dollars.
[b] Includes permitting and annual compliance certification burdens for opt-in sources.

EXHIBIT 19
AGGREGATE ANNUAL AGENCY BURDEN AND COST OF COLLECTIONS

Program	Total Burden (Hours)		Total Costs[a]	
	2003	Subsequent Years	2003	Subsequent Years
Allowance transfers	1,500	1,500	$71,280	$71,280
Energy conservation and renewable energy allowances	57	57	$2,709	$2,709
Permits				
Permitting Authority	2,710	2,710	$128,792	$128,792
EPA	593.5	593.5	$28,202	$28,202
Emissions reporting	21,760	21,760	$1,034,035	$1,034,035
Auctions	80	80	$3,802	$3,802
Opt-in	117	36	$5,560	$1,711
Annual compliance certification	1,375	1,375	$65,340	$65,340
NO_x permitting	106	106	$5,037	$5,037
Operation & Maintenance of data systems[b]	NA	NA	$150,000	$150,000
TOTAL	28,298.5	28,217.5	$460,722	$456,873

[a] 2001 dollars.

[b] Average annual operation and maintenance costs associated with running electronic data systems are assumed to be incurred by an EPA contractor. Therefore, EPA will not incur any labor burden for these activities.

Appendix A: Data Items Required to be Reported Electronically Under the Recordkeeping and Reporting Sections of Part 75

This Appendix contains the Electronic Data Reporting (EDR) Formats indicating the data elements that must be recorded and reported electronically under the following sections of the rule:

- Monitoring Plan Requirements (§ 75.53)
- General Recordkeeping Requirements (§ 75.57)
- Recordkeeping For Special Situations (§ 75.58)
- Quality Assurance Recordkeeping (§ 75.59)
- Certification Application (§ 75.63)
- Quarterly Reports (§ 75.64)

Appendix B: Other Data Items Required Under the Recordkeeping and Reporting Sections of Part 75

In addition to the data collected electronically in the EDR, the following additional recordkeeping and/or reporting is required under Part 75. Items which must be recorded and kept on-site, rather than reported/submitted to the Agency, are marked with an asterisk.

Monitoring Plan Requirements (§ 75.53):

- Information, including identification of the test strategy; protocol for the relative accuracy test audit; other relevant test information; calibration gas levels for the calibration error test and linearity check; calculations for determining maximum potential concentration, maximum expected concentration, maximum potential flow rate, maximum potential NO_x emission rate, and span; and apportionment strategies
- Description of site locations for each monitoring component in the continuous emission or opacity monitoring systems
- A data flow diagram denoting the complete information handling path from output signals of continuous emission monitoring system components to final reports
- A schematic diagram identifying entire gas handling system from boiler to stack for all affected units using CEMS
- Stack and duct engineering diagrams showing the dimensions and location of fans, turning vanes, air preheaters, monitor components, probes, reference method sampling ports, and other equipment that affects the monitoring system location, performance, or quality control checks for affected units using CEMS
- Schematic diagrams that depict relationships of fuel supply, fuel flowmeters and stacks for Appendix D and LME units
- Sulfur content of gas information if using optional default SO_2 emission rate under Appendix D
- Procedures used and results of tests for 720 hour demonstration in sections 2.3.5 and 2.3.6 of Appendix D, if applicable
- Appendix E test protocol, if applicable
- Parameters related to NO_x formation for Appendix E units
- Information specified in § 75.14 if seek an opacity exemption because unit uses wet FGD system
- Diagrams and procedures for long term fuel flow method for LME units
- Statements regarding fuels burned for LME units and statement that meet LME applicability criteria
- Historical actual, estimated and projected data, and calculated data, for LME applicability determination

General Recordkeeping Requirements (§ 75.57):

- Causes of any missing data periods and the actions taken to cure such causes*

Recordkeeping For Special Situations (§ 75.58):

For Appendix D units:

- Daily fuel sampling information if using assumed value under Appendix D*

For units with add-on SO_2 or NO_x emission controls following the provisions of § 75.34(a)(1)-(a)(3):

- Parametric data which demonstrate the proper operation of the add-on emission controls*

Quality Assurance Recordkeeping (§ 75.59):

For calibration error tests of continuous emission or flow monitoring systems:

- Certification from the cylinder gas vendor or CEMS vendor that calibration gas, as defined in the applicable sections of Part 75, was used to conduct calibration error testing*
- Description of any adjustments, corrective actions, or maintenance following test*

For daily interference checks of flow monitoring systems:

- Description of any adjustments, corrective actions, or maintenance following test*

For relative accuracy test audits:

- Description of any adjustments, corrective actions, or maintenance following test*
- The flow polynomial equation used to linearize the flow monitor and the numerical values of the polynomial coefficients of that equation*
- Supplementary RATA information (with some exceptions)*
- Data and results of aborted/invalidated RATAs and linearity tests*

Other required quality assurance test data items:

- Hardcopy quality assurance relative accuracy test reports, certification reports, or recertification reports for pollutant concentration or stack flow CEMS including test results, printouts, reference method data, equations, calibration gas certificates, laboratory calibrations, test protocols, diagrams, and names of personnel involved in the testing. For each relative accuracy test audit, supporting information sufficient to substantiate compliance with all applicable sections and appendices in this Part.* (not reported unless requested)
- An indication of which data have been excluded from the quarterly span and range evaluations of the SO_2 and NO_x monitors and the reasons for excluding the data*

Excepted monitoring systems for gas-fired and oil-fired units*:*

- Daily
- Test results for each transmitter or transducer accuracy test for an orifice-, nozzle-, or venturi-type flowmeter* (note: test summary is reported electronically)

- For units with add-on SO_2 and NO_x emission controls following the provisions of § 75.34(a)(1)-(a)(3): a list of operating parameters for the add-on emission controls, and the range of each operating parameter in the list that indicates the add-on emission controls are properly operating

Notifications (§ 75.61):

The DR shall submit notification for the following events on an as-applicable basis:

- Initial certification tests, recertification tests, tests to establish LME fuel- and unit-specific NO_x rate, new unit/stack, new flue gas desulfurization system operation, unit shutdown/recommencement, use of backup fuels for Appendix E procedures, combustion of emergency fuels under Appendix D or E, and periodic RATA tests, Appendix E retests and LME retests

Certification Application (§ 75.63):

Each application for initial certification or recertification shall contain the following information, as applicable:

- Certification or recertification application form (EPA form 7610-14)
- The results of the test(s) required by § 75.20, including the type of test conducted, testing date, information required by § 75.59, and the results of any failed tests that affect data validation
- Any changed portions of the hardcopy monitoring plan information required under §§ 75.53(e) and (f)
- Designated representative signature

Quarterly Reports (§ 75.64):

- Compliance certification (in hardcopy or optionally in electronic format)

Opacity Reports (§ 75.65):

- Excess emission of opacity (reported to applicable State or local air pollution control agency)

Quality Assurance/Quality Control Program (Section 1 of Appendix B to Part 75):

- Written QA/QC plan that describes in detail (or that refers to separate documents containing) complete, step-by-step procedures and operations For preventative maintenance, quality assurance testing, fuel sampling and sample retention*

- Maintenance records of all testing, maintenance, and repair activities, including: date, time, and description of any testing, adjustment, repair, replacement, or preventive maintenance action*

Appendix C: Acid Rain Program Forms and Instructions